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Foreign Commerce Weekly

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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, HENRY A. WALLACE, *Secretary*

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British Postwar Balance of International Payments

What Major Factors Loom, Now the Conflict Is Ended?

By DONALD F. HEATHERINGTON, *British Empire Unit, Bureau of Foreign and Domestic Commerce*

BY NOW THE CHARACTER and scope of wartime changes in the international economic and financial position of the United Kingdom should be sufficiently familiar to obviate the need for further restatement. Yet, current comments indicate that many of the implications are not fully understood. The gaps in the factual data so far made available to the public have undoubtedly contributed to this situation, but a much more significant cause stems from the attitude which many have quite unconsciously taken toward these alterations. It is the attitude of "what has been must continue to be." Since the United Kingdom has for so long been considered the greatest creditor nation in the world, and sterling, except for very brief periods, has been a symbol of strength, exchangeable at will into any currency in the world, there are those who apparently cling to the belief that this situation has not changed. Perhaps the view is best exemplified by those who argue that holders of sterling balances should be permitted to exchange them for dollars, francs, or any other currency they may desire. To free these balances in their entirety and at one moment would require that the United Kingdom stand ready to supply approximately $15,000,000,000, a sum greater than the total of British exports of merchandise for the 7 years preceding the outbreak of the war. Complete liquidation of all gold and dollar reserves would meet only one-fifth of the total claims now outstanding, if the highest unofficial estimate of the size of these reserves is accepted as approximately accurate. Moreover, nothing would remain to cover current trading operations or other commitments.

Some Current Contentions

It is unfortunate that much of the current controversy regarding the international economic position of the United Kingdom, present and future, is at cross purposes because of loose definitions and basic misconceptions of facts. Thus, for example, the general failure to separate the wartime sterling-area exchange relationship from the prewar sterling bloc, which was never anything more than an informal currency association based on an international sterling-exchange standard, has led to charges that the United Kingdom will perpetuate the sterling-area system. Extension of the present system or some variation thereof into the postwar world will require the consent of all parties; it cannot be imposed by unilateral action on the part of the United Kingdom. Consent will be more readily obtained, however, from those countries that have large sterling balances and are fearful of losing an important market for their products. Moreover, continuation of a sterling-area association will not necessarily mean the prolongation of the sterling-area dollar pool, at present a vital part of the system.[1]

"Empire's Resources"

The claim is often made that although the United Kingdom may lack essential natural resources the Empire, as a whole, has within its control an abundance of such resources. The inference is that these resources are available to the United Kingdom on exactly the same terms as native materials; an inference which completely ignores the factor of intra-Empire exchange relationships. Despite membership in a political and economic commonwealth, the Dominions and India have independent economies and national aspirations. Imperial cohesiveness is based on a certain amount of tradition, but more significantly on mutuality of interest. But this mutuality of interest is limited, and there are many points on which there is actually a separation if not a conflict of interests. The fact that the resources of India, the Dominions, and the colonies have been at the disposal of the United Kingdom during the war has been due to the willingness of these countries to overcome the financial obstacles by accepting and holding sterling under the exchange-control system or, as in the case of Canada, to supply the goods under Mutual Aid. This temporary solution to the exchange problem has already given rise to another problem, that of the sterling balances, and cannot by any stretch of the imagination be considered as a lasting solution.

[1] This question in its broader aspects is discussed at length in the forthcoming publication of the International Reference Service, entitled "The Sterling Area."

Size of Net Income From Overseas

Some commentators have recently sought to prove that "contrary to popular opinion, Britain is not broke." This phraseology scarcely applies under the circumstances, since no one conversant with the facts would argue that the United Kingdom is "broke." To say that the country is still a net creditor or that it possesses enormous productive power and trade connections obscures the really significant fact that it is the size of the net income from overseas which will be important in determining the external postwar financial position of the nation. In support of the general assertion, one writer has argued that the increased market values of British investments more than compensate for those liquidated. Whether the statement is valid or not, it must be noted that there is no assurance that either values or profits will remain at this higher level once the special wartime inflationary factors have been eliminated. The vital question is not whether the United Kingdom is solvent, but whether in view of the wartime changes the standard of consumption can be maintained at or elevated above the prewar level.

A variation or extension of this argument is based on the observation that the United Kingdom has liquidated no more than 25 to 35 percent of its oversea investments. Considered quantitatively this assertion is undoubtedly correct; the implication that the United Kingdom is, therefore, financially strong is incorrect. In addition to those liquidated, between 10 and 15 percent must be adjudged temporarily or permanently lost as a result of enemy action, and a further 20 percent consists of investments with little more than speculative value if the record of interest and dividend payments in the past is indicative of future trends. A rough conclusion is that not more than 35 to 40 percent of prewar oversea investments will return an income during the transitional period, and the subsequent percentage will depend upon such factors as the rapidity with which reconstruction of damaged properties proceeds, the world demand for various products, and the extent of any future liquidations. This last factor is important, since quietly and in relatively smaller amounts than heretofore the process of liquidation and repatriation is continuing. Australia, for example,

will use approximately £35,000,000 from its sterling balances for redemption purposes within the immediate future.

On the assumption that substantial oversea investments are still held, various suggestions have been advanced that the sterling balances could be released by further liquidation, that postwar exchange problems could be met by a similar operation, or that greater returns on the remaining assets will compensate for a part of the wartime losses. The proposals for liquidation are commonly made without the more important suggestion of the terms under which such sales might be made. Probably 80 to 90 percent of the oversea investments currently held are expressed in sterling, and this feature alone would limit the number of buyers unless, with the cooperation of the governments or companies whose securities are involved, the sterling issues might be converted into new issues expressed in other currencies. Furthermore, vesting operations in the future will be retarded by the scattered character of the many small parcels which comprise a considerable part of the total. Other business investments derive a substantial portion of their value from relationships with a parent company and its subsidiaries; separated from them they would be far less valuable. Finally, as in the specific instance of Canada, continued repatriation may not be deemed advisable at present. Most countries in a financial position to do so have already completed repatriation.

Obviously these investments cannot be counted or used twice. If they are sold to settle the sterling balances, neither the principal nor the income from these investments will be available for covering exchange needs during the transition period. Some who have proposed continued liquidation have inconsistently noted that a revival of British export trade should not prove difficult in view of the existing trade connections, marketing organizations, bank branches, and similar enterprises scattered over the world. Certainly, if the original proposal is carried through, then these ties would be seriously damaged.

Sterling Balances a "Trade Weapon"?

The theory that the sterling balances by themselves constitute a formidable trade weapon in the hands of the United Kingdom is open to serious question. Despite their background and vantage point, British writers until very recently have subscribed to this theory and have employed it to support the more general idea that the United Kingdom is still in an advantageous position. Within limits the idea has some elements of validity, since countries holding balances will be more favorably disposed toward imports from the United Kingdom if release or payment of the sterling claims is at stake. Moreover, to the extent that payment is made directly in the form of exports to the creditor, considerable disruption in the channels of trade will result. But these facts do not support the much broader conclusion that the United Kingdom will gain by such an expansion. What the United Kingdom needs is trade which will support imports at the level necessary to maintain the national standards of consumption, and this objective cannot be attained merely by increasing exports purchased from past accumulations of sterling. Some individuals have reasoned that the United Kingdom will need these exports as a means of creating employment, but such a belief is completely at variance with contemporary British thought which holds that by proper stimulation the domestic economy can support a high and stable level of employment, with the export industries important only as they contribute to the maintenance of imports essential to the program. Moreover, if productive national resources are devoted to nonremunerative exports, many domestic demands will go unsatisfied. Finally, insofar as imported raw materials are incorporated in finished goods, the expansion in exports will entail an advance in British requirements for specific imports.

British Import Needs

It is, in fact, the magnitude of the import demand that creates many of the problems now facing the United Kingdom. The possibility of contracting demand appreciably without thereby adversely affecting production or the standard of consumption is remote. Virtually all of the raw materials essential to the operation of modern industry must be imported, and to a more limited extent the same statement might be applied to imports of agricultural foodstuffs. In fact, by impeding British access to foreign sources of raw materials and forcing utilization of domestic supplies, the war may have accelerated the rate of depletion and made for still greater postwar dependence on oversea producers.

British farmers, it is true, have been able to increase production of some foods, particularly cereals and root crops, during the war. From producing approximately one-third of normal food requirements before the war and importing two-thirds the United Kingdom since 1939 has been able to reverse the order. This step has been accomplished only by intensive effort, subsidization, the direction of agricultural production, and the curtailment of consumption of such food as butter, meat, sugar, fruits, and eggs. A wartime diet would scarcely be acceptable under peacetime conditions. During the past 40 years, however, British agriculture has shown that, although it can be an efficient producer of many foodstuffs, particularly meat and dairy products, it cannot compete effectively, in the absence of protection, with the foreign producers of bulk commodities, or produce in sufficient quantities at reasonable prices such items as fruits, various fats, and oils. Moreover, concentration of effort on dairying and stock raising has required the importation of vast quantities of animal feedstuffs, without which it is doubtful whether British agriculture could have operated as efficiently.

There are greater prospects for a reduction in manufactured imports than in the other categories, but even here the possibilities are restricted. Under the British classification, a large percentage of the commodities listed as manufactured are processed raw materials and partially finished goods, including such items as tin bars and blocks, wood and timber manufactures, yarns, iron and steel bars, and petroleum. The idea that the volume of imports can be substantially reduced by lopping off luxury goods is without foundation. Probably not more than 2 percent of the total value of imports in 1938 consisted of such articles—£19,000,000 of possible luxuries in a total of £919,500,000. Apparently, as The Economist recently noted, after a decade of protectionism there were not many unnecessary imports.

The irreducibility of imports is, of course, a relative matter. By imposing rigid import controls, rationing, heavy taxes, raw material allocation, and exchange restrictions, the British Government has been able to curtail imports for ordinary consumption purposes. Although the public has accepted such controls as necessary under wartime conditions, there is no reason to believe that similar controls could be continued indefinitely without strong protests being registered. Certainly, the popular postwar objective of full employment means more than jobs for all; to the average Britisher full employment means both a job and a personal standard of consumption equal to, if not better than, that of prewar days.

Advances in the British national income in the past have almost invariably been accompanied by an increase in the total expenditures on imports. Despite a tendency for the ratio of retained imports to the national income to decline between 1925 and 1928, due to declining prices of food and raw materials, the ratio in 1929 stood at 28 percent compared with 29 percent in 1913, whereas the volume of retained imports was substantially higher than in 1924. In view of the drastic decline in import prices after 1929, the sharp fall in the ratio between 1929 and 1932 is understandable, and the failure of the ratio to return to its previous level, despite the internal economic recovery after 1932, may be attributed to the imposition of tariffs and quotas as well as to the character of the revival in internal activity. At the peak in 1937 expenditures on imports constituted 22 percent of the net national income compared with less than 5 percent for the United States. In the following year, however, the ratio was nearer to 20 percent.

Exports and Other Items

These vast purchases were made possible by earnings from merchandise exports, oversea investments, and services such as shipping, insurance, and banking. In 1937, a high-level year for imports, income from exports covered only 54 percent of the cost of retained imports; 20 percent of these imports were paid for by income from oversea invest-

ments, 13 percent by shipping services, and the remaining 13 percent by miscellaneous services. This analysis obviously does not make any allowance for imports or exports exchanged on a credit basis. Moreover, according to the published figures which may underestimate the contribution of various items, there was a net deficit on current account in several of the years between 1931 and the outbreak of the war. Whether the deficit as shown was covered by depletion of short-term exchange assets abroad, by restricting new oversea investments to such an extent that repayments exceeded replacements, or by the accumulation of sterling by commercial and central banks of other countries, for the moment, is immaterial. The most significant fact is that investment and service income normally bridged the 40 percent gap between merchandise exports and imports.

Stability in all of these items was, therefore, of fundamental importance to the British international exchange position. In terms of physical volume, British imports after 1929 declined far less than exports; at the lowest point the volume of imports was only 11 percent less than the 1929 level, whereas domestic exports were 36 percent smaller. However, the advantage gained from the lower level of import prices partially offset the loss of exchange income derived from exports. Shipping services and investments were likewise highly susceptible to sudden shifts in world economic activity; net shipping income declined by approximately 50 percent between 1929 and 1933, and investment income, 40 percent.[2] The continuation of a high level of shipping income depended on the maintenance of world trade in terms of quantities moved and also upon reasonable stability of ocean freight rates. When both of these factors were adverse, the exchange contribution was sharply reduced. There was a similar link between investment income and world prosperity, particularly prosperity in areas producing raw materials and food where a major portion of British investments were located. As profits sagged, dividends were affected, whereas the burden of fixed interest payments increased as prices for the products of debtor countries slumped. Any reduction in the income of the debtors or any lowering in the amount of exchange available forced nondefaulting debtors to curtail expenditures on other goods and services, thereby affecting British exports directly.

[2] The rather curious way in which the British balance-of-payments estimates were constructed in the past impedes extensive analysis of the constituent items as well as the total balance. Most of the invisible items were published on a net basis, and several represented very generalized estimates. Undoubtedly, relatively large gross transactions were concealed within the final net debit or credit figures. Net shipping income, in particular, must be used with caution, since the British practice of valuing merchandise imports c. i. f. and crediting shipping income wth payments made to British shipping firms leads to some distortion. The final effect on the current account balance is the same, however, as though imports were valued f. o. b. and only payments made to foreign shipping lines were shown as debit items.

Hypothetical Balance of Payments for the United Kingdom

[In millions of pounds sterling at 1938 prices]

Item on current account	Prewar average, 1936–38	Transition				Total	1952
		1946	1947	1948	1949		
Merchandise trade:							
Retained imports	−866	−809	−850	−954	−924	−3, 537	−1, 100
Domestic cash exports	+478	+233	+322	+470	+631	+1, 656	+800
Trade balance	−388	−576	−528	−484	−293	−1, 881	−300
Net shipping income	+105	+75	+105	+105	+125	+410	+165
Net income from oversea investments	+203	+130	+130	+135	+140	+535	+175
Net special interest payments on sterling debts and balances		−60	−60	−60	−60	−240	−60
Net commissions, insurance, brokerage, discounts, etc	+37	+20	+25	+30	+35	+110	+40
Net tourist expenditures	−12	0	+10	+10	+15	+35	+25
Net governmental	−7	−10	−10	−10	−10	−40	−10
Net miscellaneous	+5	+3	+5	+5	+5	+18	+5
Net invisible items	+331	+158	+205	+215	+250	−828	+340
Balance on current account	−57	−418	−323	−269	−43	−1, 053	+40

Toward the end of the 1930's it was increasingly evident that, as far as the United Kingdom was concerned, the days of large-scale capital investment overseas were closed, at least temporarily. It was also clear that income from international services and oversea investments were key factors in the continued ability of the United Kingdom to maintain imports and thereby the standard of consumption. Technical, scientific, and economic improvements instituted in many basic exporting industries, together with the increased realization of the need for drastic reorganization of marketing techniques, might have been sufficient to restore a vigorous export trade, thereby relieving some of the pressure on the invisible items, had not the intervention of rearmament and the war forced British efforts into new channels. Nevertheless, the 1940 export drive and various technical achievements during the war demonstrate that so far as capacity is concerned there are good possibilities for postwar export expansion. Whether sufficient progress has been made to overcome competition in export markets cannot be estimated at this time.

Basic Assumptions

The importance of the wartime changes in the financial and economic position of the United Kingdom arises primarily from the anticipated influence which they will have on the postwar balance of payments. Any analysis of the seriousness of the position must, therefore, rest on the assumptions made relative to the future behavior of the invisible items. Indeed, the difference between pessimistic and optimistic observers is a matter of emphasis, with the latter willing to assume far more favorable developments than the former.

Although past experience may not necessarily be repeated, for lack of better evidence many of the estimates to be presented must rest on the very general assumption that the most significant prewar relationships will continue into the future. With this understanding, it becomes possible to consider what effect the removal or alteration of the assumptions would have on the conclusions reached.

In evaluating prospective developments, the transition period during which the United Kingdom will be confronted with the most pressing reconstruction and reconversion demands must be separated from the long-range period during which some semblance of normality will be restored. Unfortunately, however, it is virtually impossible to define postwar normality, since attainment of this condition scarcely means a return to prewar circumstances. A normal postwar year may best be defined, perhaps, as one of full employment, no greater restrictions than prevailed in 1938, and steady development rather than reconstruction. The duration of the transition is still largely a guess. British opinion leans toward 3 to 5 years, but obviously from year to year there will be substantial changes in the basic position of the economy, with respect to both demands and capacities. For our purposes, therefore, the years 1946–49, inclusive, have been selected as approximately measuring the transition, and 1952 has been chosen to represent an average year in the immediate post-transition period.

Three other generalized assumptions may be mentioned. First, it is assumed—and the evidence supports the assumption—that the size of the British labor force will show very little material increase after 1949 and that during the transition, despite gradual demobilization, the total increase will be negligible, as retirement, the raising of the school-leaving age, and the return of women to domestic life will serve as offsetting factors. Secondly, it is assumed that national productivity will increase at an annual average rate of 1.5 percent through 1948, and thereafter by approximately 2 percent annually. The final assumption is that by 1952 full employment will be achieved in all major countries, and that subject to a few limitations individuals will be free to dispose of their money incomes as they see fit.[3]

(Continued on p. 45)

[3] For further discussion of these assumptions see Political and Economic Planning, Framework of a Four Year Plan, Broadsheet No. 235, June 8, 1945.

Selective Imports for Small Retailers

By JACQUES KUNSTENAAR, *International Trade Unit, Bureau of Foreign and Domestic Commerce*

ENTERPRISING small retailers throughout the United States are always on the alert for new and distinctive merchandise that will create additional sales and thus spread overhead costs and increase profit margins. The search often proves unproductive because what the small retailer finds in the markets accessible to him for the most part are standardized mass-produced and mass-marketed articles.

These articles are of good quality and generally low in price, and they will always constitute the principal part of the retail business of this country. Because of mass production, however, all stores of a similar type have about the same line of merchandise to offer to the public. The result is that small-scale retailing often offers limited opportunities for genuine, promotional merchandising.

What retailer has not had the experience of procuring an unusual item which had only to be seen to be sold? Such sales do not compete with sales of ordinary merchandise; they are *additional* sales. The stores and specialty shops in our large cities are in a favored position to obtain distinctive foreign goods. Big stores can afford to send their own representatives to foreign countries in search of new items and sources of supply, or may even maintain permanent buyers in foreign capitals. But of the small stores and specialty shops it is only those located in large cities that, although unable to send buyers abroad, are in a favorable position to obtain foreign specialties, since a contact with importers or representatives of foreign manufacturers is easier in the big cities than in small places. Foreign products can, of course, be found in stores all over the country, but the shopping districts of our large cities have become veritable museums for specialties from all parts of the world.

It seems, however, that it should be possible to bring to the "main street" stores, to a larger extent than heretofore, many distinctive foreign goods, which, so far, have been chiefly on sale in big-city stores and large-scale retailing establishments. Thus new and potentially profitable lines would be open to enterprising small department stores, haberdashery and clothing stores, women's ready-to-wear and specialty shops, gift shops, neighborhood groceries and delicatessens, jewelry stores, linen shops, house-furnishing stores and interior decorators, tobacco shops, drug stores, and stationery stores.

Official Information Bureau of Switzerland

Artistic wood carvings are a handicraft product whose peculiar appeal to many American purchasers has been amply demonstrated in the past.

International Sample Fairs

The Department of Commerce has called attention to the advantages of international sample fairs as a means of acquainting business people with foreign products. Detailed information on this type of trade promotion appears in two articles on international sample fairs published in FOREIGN COMMERCE WEEKLY of February 19, 1944, and July 7, 1945.

International sample fairs are regularly recurring, annual or semiannual exhibitions generally lasting for periods not exceeding 2 weeks. They are housed in specially erected buildings containing stands in which samples of the articles offered for sale are displayed to potential buyers. The exhibitors themselves or their representatives are available for discussions of prospective sales. Transactions are restricted to deals between business people. No merchandise is sold directly to consumers over the counter. Foreign exhibitors are admitted on an equal footing with native participants. International sample fairs must not be confused with other types of fairs, such as world fairs, special or technical exhibitions, or State and country fairs, all of which serve useful but different purposes.

No fair which may be characterized an international sample fair has ever been held in the United States, but several plans to introduce this type of fair into this country are under consideration. During the period from World War I to World War II at least 30 sample fairs with more than local interest and at which a substantial amount of import and export business was transacted were successfully established in many European countries. The oldest and best known of these was that held regularly at Leipzig, Germany. In 1939 about 300,000 buyers visited the 10,000 stands of that fair. Other important international sample fairs have been held every year at Brussels, Lyon,

Possible source of distinctive, exotic imports. Embroidered felt rugs ("numdah") being made in the city of Srinagar, Kashmir, India. Felted from the hair of the cashmere goat, these are embroidered by hand by the skillful and artistic Indian craftsmen.

Utrecht, Prague, and other European cities.

The creation of international sample fairs in four or five cities of the United States would, among other things, greatly benefit the small retailer. Such exhibitions would bring near to his place of business a vast sample room where, in annual or semiannual visits, he could acquaint himself with the newest foreign specialties on the market and establish personal relations with manufacturers or their representatives in the United States.

Organization of Production

At a Pan-American meeting held in New York City in January 1945 in conjunction with a convention of the National Retail Dry Goods Association, H. B. McCoy, Chief of the Industrial Economy Division, Bureau of Foreign and Domestic Commerce, made the following suggestions as a means of overcoming inadequate organization for production of retail merchandise in some Latin American countries, and of improving facilities for distribution between the foreign producer and the United States retailer: (1) That associations, corporations, or other organized groups be established in those countries to undertake the organization of production and selling, furnish information to buyers and sellers, provide technical assistance, and, if necessary, financing, and generally assume responsibility for developing export trade in products that offer the greatest promise of sale in United States and other markets; (2) that United States importers and buyers afford all possible and practical help to such organizations in the form of technical assistance and use of samples and designs of products salable in this market; (3) that foreign producers and exporters visit the United States and conduct first-hand studies of retail merchandise and merchandising methods and techniques; (4) and that appropriate assistance and encouragement to production be given by the governments in their respective countries.

These recommendations apply also to many countries outside of the Western Hemisphere.

Who Would Benefit?

Practically every type of retail establishment and the customers they serve would benefit from the opportunity to sell more distinctive foreign merchandise. Wholesalers and importers would also profit from new business based on larger imports of foreign manufactures, as would such organizations as forwarding agents and customs brokers, many of which are small firms.

Indirectly, United States exporters and export industries would also benefit through the larger exports which expanded imports would make possible. The demand from other countries for United States goods is limited only by the amount of dollars they have to spend. When foreigners receive more dollars from their sales to the United States, they buy more goods from this country. Thus, if imports were increased, United States manufacturers would gain additional foreign business and could as a consequence offer more jobs to United States labor.

Foreign Specialties

The foreign specialties that formerly were sold in the United States market were literally without number. They came from every quarter of the globe and in infinite variety: Embroideries from France, Belgium, Switzerland, and China; woolens from England and Scotland; linens from Eire, Belgium, and Czechoslovakia; glassware from Sweden; individualistic china and earthenware from many countries of Europe, Latin America, and Asia; exotic food and drink from all parts of the world; and distinctive products of the handicrafts of Latin America.

The accompanying list represents an attempt to classify and enumerate foreign specialties which have in the past been marketed in the United States. The list contains broad classes of articles, supplemented by examples of specific items and the countries from which they formerly were obtained. Many of these articles were not mass-produced; they required considerable hand-finishing, special skill, or traditional treatment; or were unusual in flavor or design. The list is not exhaustive, and is merely illustrative of past practices. Present practical merchandising possibilities must be developed by businessmen themselves, as they may desire, with such assistance as the Government can appropriately give to them.

(Continued on p. 38)

Automotive Parts for India

The Foreign Economic Administration announced recently that import licenses for substantial quantities of automotive spare parts have already been issued by the Government of India to representatives of exporters from the United States. It is understood that the Indian Government plans to continue this policy for the remainder of such items to be purchased in 1945, FEA said.

This step does not mean the complete elimination of bulk-buying of automotive parts by India, for certain Government purchases in limited amounts will continue to be made. Nevertheless, this change in policy on the part of the Government of India means a decisive step away from war controls and toward the resumption of normal commercial channels, FEA said.

Proposed Textile Trade, Australia-India

Among the possibilities for postwar trade relations discussed recently by an Indian trade delegation to Australia was the promotion of textile exports to Australia from India, which is now sending 40,000,000 yards of cotton textiles to Australia annually, as compared with only 1,000,000 yards before the war, the foreign press states.

The delegation held that India could supply Australia's total cotton-goods needs, to the exclusion of Japan, Australia's principal prewar supplier.

An Australian export-development group, also engaged in this study, found that Australia in turn could make textiles of the type India requires, principally woolens.

Exports of sisal from Mozambique in 1944 were valued at 61,547,224 escudos (U. S. $2,461,889).

The Story of Almaden—

Arresting and Significant From Many Diverse Angles Are the Facts About Spain's Famous Mercury Mine, Richest in the World, Steeped in Tradition, Source of Much of the Supply of a War-Vital Mineral

By WALTER A. JANSSEN, *Chief, Metals and Minerals Unit, Bureau of Foreign and Domestic Commerce*

ALMADEN IS THE NAME of a mercury mine in Spain—the largest in the world in point of richness and extent of ore bodies. It is located at the city of Almaden which is near the western border of the Province of Ciudad Real and about 150 miles southwest of Madrid. The mines of Almaden have a record of having been in operation for more than 2,000 years under many regimes and with many interruptions. Records of very early production are lost in the mists of antiquity. The output since 1500 A. D. is estimated at more than 6,000,000 flasks. There has been a gradual decline in the grade of ore during the era of prolonged exploitation. The positive, probable, and possible ore reserves augur a long life for Almaden—how long is a matter of conjecture. Some engineers profess to see in sight a thousand years' supply of ore at current rate of consumption. Time alone will give answer to the question.

This prologue might very well be the story of Almaden without any further elaboration were it not for certain historic, mineralogic, and sociological contributions which through the ages have been woven into a complex and arresting economic pattern.

Time divides the recital of passing events into three major periods—ancient, medieval, and modern, without definite lines of demarcation. In fact, each succeeding period seems to bear evidence of the presence of the virtues and frailties of those that have preceded.

Picturesque seventeenth-century entrance to the walled enclosure of the Almaden mercury mines.

From the Greeks to the Moors

A knowledge of the existence of these rich mercury deposits in Spain is recorded in the chronicles of Theophrastus, who lived about 332 B. C. The Carthaginians exploited them some time prior to the Roman occupation of the Iberian peninsula in 201 B. C. They obtained therefrom *argentum vivum* (quicksilver), a native mercury, in greater quantities than from other known sources. They alleged that they found the virgin undefiled metal to be superior to *hydrargyrum*, which is the type produced by the reduction of cinnabar.

Pliny (23–79 A. D.) reported that the ancient city of Sisapon known for its mercury gave to the region the name Sisaponova. The ruins of the ancient city are found near present Valdea Coques, some 10 kilometers from Almaden. He also recorded that about 10,000 pounds of cinnabar was shipped each year to Rome from what is now the Almaden mines for use in the production of vermillion, a cosmetic rouge, and some medicinals.

The Moors occupied the Spanish peninsula in 711 A. D., and remained for about four centuries. They are reported to have worked the mines in a somewhat desultory manner during the period of their third tenure. They did, however, give to the mines the name Almaden (El Maden—Arabic for "the mine"). The first "hornos" or furnaces known to have been installed at Almaden for the production of mercury were brought in by the Moors during the eighth century. Their methods of mercury extraction continued to be used until the early part of the twelfth cen-

tury or when Alfonso VII conquered the region in 1151 A. D. and ceded it to the Knights Templar, who were unable to hold it against the onslaughts of the Arabs.

Progress Begins

The conquest marked the beginning of the end of the age of antiquity and the transition into a medieval era suggestive of progress. Alfonso VIII in 1168 gave the region to the Master of Calatrava, one of the great figures in Spanish history, and to the equally well-known Count Muno de Lara. There is a record dated 1348 reserving the mine property to the King, and there was established the Villa Almaden, confirmed by the "Catholic Kings" Ferdinand and Isabella on April 4, 1492—the year Columbus discovered America.

During all this time and until the middle of the seventeenth century the mine continued to be exploited for the King by the Calatrava Military Order which in turn granted concessions for the operation thereof.

Enter the Fuggers

Emperor Charles I in 1524 in settlement of an unpaid balance of 200,000 ducats due the brothers Jaime and Marcos Fugger granted them a concession to operate the mine, with the proviso that they pay each year 4,500 metric quintals (992,070 pounds) of mercury to the State as rental. Almaden was exploited under this arrangement between the years 1525 and 1545. The mercury was used to develop the Spanish Empire in the West, principally the gold mines in Mexico and Peru.

Thereafter a concession was renewed every 10 years with the Fugger heirs. A rental of 13,500 quintals was asked for the first decade under this arrangement.

The famous King Philip II (of Spanish Armada fame) looked upon the Almaden mines as one of the foremost possessions of the crown. In 1557 he commissioned one Francisco de Mendoza to investigate their possibilities and report on the feasibility of a more extensive exploitation. Philip III in 1613 investigated the possibilties of extracting 10,000 quintals (2,204,000 pounds) of mercury per year. His engineer reported the inability to produce more than 5,000 quintals per year in consequence of the adverse operating conditions existing under the then-current regime.

The Fugger concession was not renewed in 1645, after a tenure of 121 years. Expensive years they were indeed for Almaden and the State. The Condes Fucares, as they are referred to in Spanish annals, profited well for their kith and kin. "As rich as a Fucares" continues to be a Spanish axiom. It was during this regime that Almaden became known as a death trap for miners. This reputation served as a basis for the creation of unfavorable personnel relations which have prevailed through the centuries and are now so firmly established in popular *belief* as to determine the current production policy even though the stigma may no longer be merited.

View of work progressing in one of the galleries of the Almaden mercury mine. One can observe here the enormous blocks of cinnabar which form veritable mountains in the subsoil.

Flasks full of Almaden mercury, ready for world-wide export.

Bustamante Was Ingenious

The termination of the contract marked the end of the regime of the powerful Fugger family of Nuremberg and the taking over of the active operation of Almaden by the State. Juan Alonzo Bustamante, an engineer, offered the King a modification of the Barba distillation furnace, with which he had experience at the Huancavelica mine in Peru, as a better and cheaper method for the extraction of mercury. The first of the furnaces, named "Nuestra Señora de la Concepción," completed in 1646, was soon followed by nine others and is the type of furnace that was used for the next 250 years.

The Almaden workings now being operated were first worked at the end of the seventeenth century. Prior thereto shafts were sunk at various nearby outcrops and then subsequently abandoned at relatively shallow depths.

In 1697 outcrops of cinnabar in the proximity of those previously exploited by the Fuggers and others were located in the yard of the castle of Ratamar. A

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Turkey's Sümer Bank Planning Many Projects

[U. S. Firms and Engineers Should Find Worth-While Opportunities To Furnish Machinery, Equipment, and Various Technical Services]

Digested From a Report by the U. S. Embassy at Ankara, Turkey

FURTHER STEPS toward the industrialization of Turkey have just been revealed in the plans of the Sümer Bank, a semi-Government institution, for construction projects that the Bank intends to finance within the next 3 to 5 years. The program is roughly estimated to cost £T80,000,000 (approximately U. S. $61,000,000).

The Sümer Bank is expected to begin calling for bids on some of the work in September, and interested American contractors, engineering firms, manufacturers, and suppliers may obtain specifications by direct contact with the Bank at Ankara.

Industrial Chemicals

In the industrial-chemical field, four major operations are planned by the Sümer Bank. Near Kutahya, a plant will be built to provide an annual production of 6,000 metric tons of nitric acid and 3,000 metric tons of ammonium nitrates. A power station will be installed, probably to be operated with lignite. At Izmit, near Istanbul, the Bank plans to construct a plant for the production of sodium carbonate and sodium bicarbonate, with a yearly capacity of 5,000 metric tons of each product. At Karabuk, a plant is projected to produce copper sulphate at the rate of 4,000 metric tons per year. In the city of Gemlik, on the Sea of Marmora, a carbon bisulfide plant will be erected with an annual capacity of 600 metric tons. Plans and specifications for these projects are available to interested firms from the Bank.

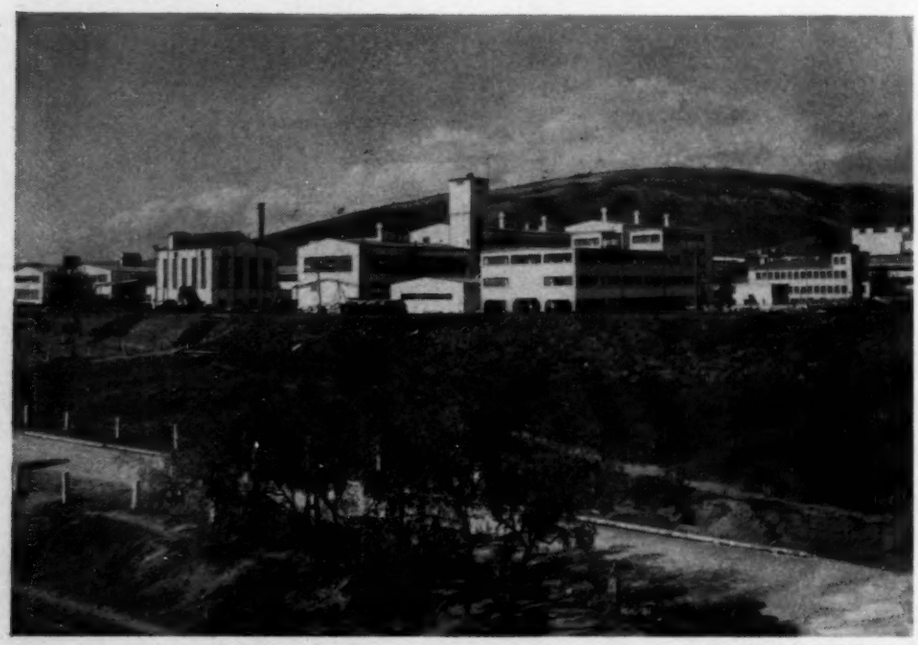
Cement, Bricks, Paper

The Sivas cement plant, located in central Turkey, produces about 90,000 metric tons of cement per year. It was originally regarded as the nucleus of a much larger project, and it is now planned to carry out this expansion and increase output to 200,000 metric tons annually. Specifications for this installation are available.

Construction of a refractory-brick plant is planned for Filyos on the Black Sea to produce 15,000 metric tons a year. Specifications will soon be ready.

Two paper factories in Izmit will have their production capacities increased above the present 20,000 metric tons per year. Also, a third paper plant will be constructed in Izmir to produce 16,000 metric tons annually. Plans for this plant are available to interested firms.

Izmir will also be the location of a new factory for the manufacture of insulating materials from wood shavings and sawdust, the capacity being from 6,000 to 7,000 metric tons annually. The Sümer Bank is interested in contacting foreign firms who make machinery for such a product and who would license the Turkish interests to use a process for its manufacture.



Courtesy Turkish Government

One of Turkey's thoroughly modern paper factories in Izmit. In Izmir another new paper plant is soon to be constructed.

In the Textile Field

Plans and specifications will be completed in the near future for three new cotton yarn mills with a total of 40,000 spindles. A 20,000-spindle plant will be located at Denizli, a 10,000-spindle plant at Izmir, and a 10,000-spindle plant at Bakirkoy (Istanbul). The Sümer Bank intends to purchase 500 looms for these plants.

A textile plant is also planned for Kastamonu which will produce 3,000 metric tons of woven hemp annually, the final product to be sacks, rope, and cord.

To Make More Steel

Several plants for the manufacture of steel products are contemplated for Karabuk. One of these is a plant which will turn out wire of less than 10 millimeters diameter at the rate of 30,000 metric tons a year. Another is a rolling mill capable of producing 20,000 metric tons of sheet steel annually. A third is a steel-pipe "foundry" with a yearly capacity of from 10,000 to 15,000 metric tons.

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Sweden's Glass Business

EDITOR'S NOTE

This article is a summary of a study which has been prepared in the Specialties Unit under the direction of Donald S. Parris, Acting Chief, and which will be published in full in the INDUSTRIAL REFERENCE SERVICE of the Bureau of Foreign and Domestic Commerce. The first study, entitled "The British Pottery Industry", is scheduled for early release.

The INDUSTRIAL REFERENCE SERVICE is designed to supply producers, distributors, exporters, and importers with basic data from foreign and domestic sources for practical use in the conduct of their business. Part 8, General Products, includes material especially prepared for the glassware and pottery industries. It is available on a subscription basis for $1.50 a year. Subscriptions may be entered through the Superintendent of Documents, Washington 25, D. C., or the Field Offices of the Department of Commerce listed on page 2 of this magazine.

Digested From a Report by R. R. Montell, American Legation, Stockholm

GLASS WAS FIRST PRODUCED in Sweden in the fifteenth century. During the middle of the eighteenth century, the Swedish Government stimulated the growth of the industry through special measures. The principal growth of the industry, however, has taken place since the last century when a number of plants were built in the district of Smaland in the eastern part of the county of Kronoberg.

The concentration of the glass industry in this particular district is interesting because the area does not offer any special inducements such as raw materials, fuel, or transportation and distribution facilities. Originally, a nucleus development was located here and a group of skilled glass workers evolved which in turn attracted more plants and more workers.

Although all the necessary chemicals as well as the sand for better-grade glass and coal for fuel must be imported, there are today in Sweden 45 primary glass plants and 11 glass-processing factories satsifying the country's entire demand for household and bottle glass and providing an exportable surplus as well.

Plate and optical glass are not produced in Sweden and must be imported. Small amounts of laboratory glass are produced locally, but the bulk must be imported. Sufficient window glass can be produced to satisfy the entire domestic demand.

It is in the field of art and ornamental glassware that Sweden has won world renown for the excellent quality and beauty of its ware. Relative to Sweden's total industrial production, the glass industry represents a very small segment. In 1939, the value of glass production, including that of the processing plants, was 38,500,000 crowns, and the value of the total industrial production was 8,151,800,000 crowns. Although in monetary terms this represents only 0.47 percent of the total industrial output, its intrinsic value to the country is far greater. Besides filling an important and growing domestic demand, Sweden takes great pride in its art glass which helps to build the prestige of Swedish materials, workmanship, and artistic accomplishment abroad.

Household Glassware

The Swedish people are lavish in their use of stemware, and even the most humble home will generally have complete sets of several varieties of stemware ranging from liquor glasses of various types and sizes to two sizes of water glasses. Glass tableware, except for special types of bowls and dishes, is not commonly used in Sweden.

Heat-resistant cooking ware is not used as extensively in Sweden as in the United States. Kitchen crockery is preferred to glass kitchenware.

Sweden produces practically all of its illuminating-glass requirements, importing only a few types of special fixtures. The illuminating ware produced has changed in style and design since the early 1930's when modernistic types predominated.

Production

Production of glass in Sweden from 1939 through 1941 included the items shown in the accompanying table, which constituted the greater part of the total output.

Glass Production in Sweden

Item	1939	1940	1941
	Metric tons	*Metric tons*	*Metric tons*
Bottles and jars	36,554	36,534	36,481
Window glass	19,182	9,942	7,528
Household and ornamental glass	7,010	4,192	4,809
Total	62,746	50,668	48,818

In 1942, supplies of raw materials for the glass industry were still not subject to regulation, but increasing shortages caused the Industrial Commission to form a delegation for the purpose of studying the problem and issuing necessary regulations. After an extended survey, various items were listed in order of their importance to the economy, and

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Courtesy American-Swedish News Exchange

In the Swedish glass industry.

Late AIRGRAMS

Reports Submitted by Offices of the U. S. Foreign Service

Panama

(From the U. S. Embassy, Panama)

The past month has been characterized by significant Government announcements with regard to financing of public works and renewed interest in the construction of a new $3,500,000 hotel. General business has continued good, and constant interest was shown by Panamanian merchants in securing representations for United States products in all fields.

President Jimenez announced that the new airport would be financed without the aid of foreign funds. He proposed two bond issues—one of $3,000,000 in 6-percent bonds maturing in 16 years to be offered for public subscription, and one of $5,000,000 to be taken up by the National Bank, the National Savings Bank, and the Social Security Bank from their surplus funds. The President also announced that the proposed tuberculosis hospital will be financed by special taxes, including an additional tax on racing bets which it is stated will yield $25,000 per month.

On June 15 the Government had surplus funds in excess of $5,000,000 in the Treasury, of which $1,590,000 were free of all contractual obligations. The Comptroller General is preparing a new budget for the 1945–46 biennium for submission to the National Assembly. The present budget of $39,000,000 was decreed by the former Cabinet, and estimated expenses for the first half of 1945 were $17,500,000.

A stock company has been formed with 250,000 authorized shares of $20 each to construct the new $3,500,000 modern tourist hotel of at least 500 rooms. The founding shareholders represent a cross-section of leading Panamanians and Americans, and approximately $500,000 has been subscribed initially, most of which was paid in cash.

The President announced a plan for a complete economic and agricultural survey of Panama to determine the nation's postwar problems. The Chamber of Commerce has completed a report to the Constitutional Assembly regarding Panama's problems, and this report will be the basis for the survey. The Government announced also the initiation of an agricultural census for the near future.

The Bank of Urbanization is preparing a city-planning project for Panama City covering housing, water supply, parks, hospitals, city streets, and zoning, and industrial construction to be submitted to the National Assembly for approval.

Total building permits in Panama City for the first 7 months of 1945 reached the record figure of $5,840,463 for a total of 306 building permits, of which 201 were for new buildings.

Exports of coconuts amounted to 545,594 units in the month of June, all coming from the San Blas Indian territory; 11,759 bags of copra also were shipped. The Minister of Government and Justice estimated production at 1,200,000 coconuts a month, giving the Indians an approximate income of $60,000 monthly.

Nicaragua

(From the U. S. Embassy, Managua)

Economic conditions in Nicaragua during July showed little improvement as compared with June and the corresponding period of 1944. The consumption of electrical energy is reported to have increased in the major cities of Nicaragua, indicating a larger industrial output. This is borne out by increased production of cigarettes, cement, and beverages. More favorable conditions on the east coast accounted for increased production of mahogany. Slightly larger quantities of merchandise caused an expansion in retail trade. Exports of gold were about 6 percent less than those of the corresponding period of last year. The value of the exportable surplus of agricultural products in 1945, including sugar, rice, corn, beans, and sesame seed, will perhaps suffer a reduction owing to the shortage of rainfall in growing seasons, and it is unlikely that the value of such exports will exceed $2,000,000 (United States currency). Shortages of sugar and flour were reported in nearly all sections of the Republic, whereas the first corn planting and the harvest of beans are the greatest in Nicaraguan history. There has been little change in financial conditions, and the differential between the official and unofficial exchange rates was practically unchanged. Shortages of imported foodstuffs on the east coast were relieved somewhat by a July sailing from a Gulf port which discharged an important amount of foodstuffs. However, potatoes, sugar, and rice are still in short supply. There was a slight increase in imports during July as compared with June, and railway carloadings increased. There was a tightening of exchange restrictions during the period under review, but the exchange situation was satisfactory. Passenger traffic was said to have improved and the labor front has been quiet.

Financial conditions have shown little or no improvement. The differential between the official rate of exchange and the curb market is a constant inflationary threat inasmuch as all domestic and import prices reflect the unofficial rate which fluctuated from 7 to 7.35 cordobas per $1 through all of July. The official rate of exchange remains at 5 cordobas per $1. If the demand for imports increases in the near future it will aggravate the situation by creating a greater discrepancy between official and unofficial rates. The export situation is none too stable. The stabilization fund contains what appears to be an ample balance to take care of current essential needs.

Foreign trade increased in July as compared with the preceding month when 14 inward and 15 outward sailings totaled 8,794 and 3,856 metric tons, respectively. However, increase in foreign trade, particularly with respect to exports, does not reflect true conditions in Nicaragua because large quantities of rubber had accumulated at east coast ports during a period of 70 days in which there were no sailings. Near the close of the month, however, 157 long tons of rubber were exported to the United States.

Corn is now holding the spotlight in Nicaragua's economy, inasmuch as the first planting is the greatest in the history of the country. Exporters state that there was a small carry-over from last year and with the current crop there will be 60,000 to 100,000 kilograms of exportable surpluses. Some exporters are seeking markets in the United States, hoping to obtain a better price than has been offered by the neighboring countries, Guatemala, El Salvador, and Honduras. It seems unlikely, however, that any corn will be exported at present prices because it is being quoted at 3 or 4 cents per pound.

The coffee outlook remains unchanged, and it was doubtful at the end of July whether the 1945 crop would exceed that of 1944. This condition is attributed to the excessive rainfall during the flowering season. Many growers are looking forward with interest to the pending meeting of the Inter-American Coffee Board with the hope that coffee prices will be materially increased because of the ever-increasing cost of production. On the other hand, certain growers or exporters are skeptical of a new price rise, stating that while they would welcome such an increase, prices would perhaps be determined by demand from liberated areas and their ability to pay. One coffee grower pointed out that should liberated areas be able to finance coffee, the demand would perhaps be for the lower grades.

The sesame seed crop, which is planted during August and September, is expected to be below the 1944–45 yield of 6,500,000 pounds because of the small margin of profit in this commodity, owing to the decreased production per acre which results from the degeneration of seed. However, a firm in Chinandega

is experimenting with plantings from Venezuela with the hope that these seeds will give a greater yield.

Rice plantings are considerably greater than during last year and probably are the greatest in the history of Nicaragua. Despite favorable conditions for a large rice crop, the retail price for this commodity is fluctuating from 12¼ to 16 cents per pound. Present prices are working hardships on the poorer classes because rice is an item of great importance in the laborer's diet.

Beans, which were selling at approximately 15 cents a pound 3 months ago, are now being quoted at about one-half that price because of the new crop being harvested. In many remote areas beans are retailing at 8 cents per pound, thus relieving the food situation for the common laborer. Red kidney beans and edible soybeans imported from the United States are being planted for experimental purposes.

Cotton prospects during the early part of July looked very encouraging, but later reports indicate that an important portion of the cotton planted at Los Brasiles has been seriously damaged by an insect resembling a small cockroach but locally referred to as "escarabajo." It is believed to be of the black-beetle variety. The insect eats the small undeveloped plant, including the leaves and stalk, but does not injure the matured plant. Specimens have been forwarded to the Director of Servicio Tecnico Agricola at Bluefields with the hope that some relief can be had. Immediate relief is desired to prevent its spread to other areas. As an indication of its seriousness, one plantation has already suffered damage amounting to 10 percent of the estimated production.

Production of mahogany, which registered a decline in June, increased materially owing to heavy floods in early July which floated 1943 and 1944 cuttings to the mills in Bluefields. One mill which had been closed for some time began production of sawed mahogany lumber on July 16. It is predicted that the 1945 production of sawed mahogany (squares and boards) will reach 4,600,000 square feet to cope with a rising demand in the United States. Pine continues in strong demand throughout the Caribbean area and production, which lagged during June, reached a new tempo when new saws and machinery which were imported several months ago were placed in operation. Production of pine for 1945 is expected to reach 14,000,000 board feet.

Production of cigarettes for July was reported at 37,487,000, which is slightly more than the average for the preceding 3 months, April, May, and June. This figure is also in excess of the corresponding months of 1944.

Production of cement increased as a result of more favorable weather conditions (less rainfall in July), thus permitting almost uninterrupted work on Nicaragua's highways. Construction programs in the principal cities (principally paving and repairs) also placed an increased demand on Nicaragua's small cement industry.

Beverages, both soft and hard (except beer), were in great demand, reflecting seasonal conditions as well as a surplus of money in the hands of merchants and laborers. The production of beer declined slightly.

Labor presented no serious problem during July. No strikes occurred despite the general rise of prices during the last few months. Unemployment, except that arising out of lack of desire to work, presents no problem in Nicaragua. There is a shortage of help in sparsely settled communities, but this is to be expected in a country where individuals in rural areas for the most part can be almost self-sufficient on a very small plot of land.

Railway freight tonnage as reported by the Nicaraguan Government-owned railway indicates a remarkable stability, as reflected in the following figures:

Month	Tonnage (kilograms)
January	1,354,071
February	1,451,518
March	1,356,541
April	1,437,728
May	1,329,694
June	1,200,000
July	1,351,932

Passenger traffic is reported to have increased slightly, but such increases appear to be only seasonal.

Paraguay

(From the U. S. Embassy, Asuncion)

Agricultural losses from frost in July have been heavy, resulting in an unfavorable outlook for most crops. There has been some rain, but more is needed.

Reduction in production of sugarcane is estimated at 40 to 50 percent. Other crops have likewise been affected. Mandioca is in bad condition as to both quantity and quality, and the outlook for the next crop is discouraging. Tobacco was affected by the frost but fortunately is expected to recover. Rice planting is not satisfactory. The early corn crop was burned by the frost, but there was time for replanting. Sweetpotatoes are reported to be in bad condition owing to unfavorable weather. The production of citrus fruit has not been satisfactory, trees having been harmed by frost. There has been a sharp drop in the production of petitgrain oil. Normally this product should be plentiful at this season, but exporters are having great difficulty in finding offers from producers. A plague of locusts is reported in the South, but it is hoped that it can be overcome before extensive damage is done. Prospects for wheat and alfalfa are good.

Business has been spotty. Some retail houses report satisfactory sales, but others note a slight downward trend, attributable in their opinion to a shortage of money following bad agricultural returns. On the brighter side are improved transportation facilities which are bringing needed imports into the country. Shipping has continued to be normal except for the Alto Parana where it has dropped slightly. The only export product for which space appears to be short is lumber. Demands for lumber from the Argentine are slow.

The meat-packing industry has continued to operate at high levels and arrivals of cattle have been good. Owing to the increased arrivals of cattle, two plants faced possible shortages of tin plate, but were able to obtain loans of this commodity from Argentina pending arrivals from the United States. The "Industria Paraguaya de Carnes" plant was expected to finish this season's kill about the middle of August. The total number of cattle slaughtered by this plant during the year is expected to reach 22,300.

Foreign trade for the first 5 months of 1945 was in excess of that for the corresponding months of 1944, reflecting the improved shipping situation. Import and export values for these months are:

Paraguayan Foreign Trade, January–May, 1944–45

[In thousands of guaranies]

Month	Imports		Exports	
	1944	1945	1944	1945
January	3,551	4,821	2,701	5,312
February	2,947	4,735	2,200	4,389
March	3,081	4,000	3,998	3,968
April	2,882	3,981	3,947	4,196
May	2,552	4,242	3,038	5,942

[1] The legal rate of exchange is 3.09 guaranies per dollar.

Cost-of-living indexes rose sharply in July, with increases fairly evenly distributed for all categories of goods. General index numbers for June and July, 1945, were 213 and 220, respectively.

A new budgetary policy was under consideration during July. The Minister of Finance recommended certain reforms which would include economies in expenditures and improvements in the machinery for collections. Financial operations for the first 6 months of 1945 showed definite improvement in collections compared with last year, but expenditures, partially affected by payments of back debts of previous years, produced a deficit.

The balance sheet of the Bank of Paraguay, as of the end of July, shows slight change except for increased deposits by other banks in the Bank of Paraguay.

A comprehensive revision of the exchange-control law is now before the Council of State for consideration.

British-Empire Cotton Growing

The Administrative Council of the Empire Cotton Growing Corporation, meeting recently in Manchester, England, reported that the Empire's cotton-growing countries (omitting India) produced 467,692 bales of 400 pounds each in 1943–44, as compared with 565,509 bales in the 1942-43 season.

In recent years the highest production total reached by these countries was 884,298 bales in the 1937-38 season.

News by COUNTRIES

Brazil

Tariffs and Trade Controls

Import Licenses Required for Specified Categories of Chemical Wood Pulp.—Chemical wood pulp was included among the commodities requiring import licenses in Brazil by Order No. 91 of the Ministers of Finance and Foreign Affairs, dated June 18, 1945. (See FOREIGN COMMERCE WEEKLY of July 28, 1945.) The following categories of chemical wood pulp have been announced as requiring import licenses, by Notice No. 102 of the Export-Import Department of the Bank of Brazil, published in the Diário Oficial of July 14, 1945:

Dept. of Com. Sch. "B" No.—	*Wood pulp (air-dry weight), sulphite wood pulp, bleached*
4601.00	Rayon and special chemical grades (includes wood-pulp cellulose).
4602.00	Other (for paper making, etc.).
4604.00	Sulphite wood pulp, unbleached.
4606.00	Soda wood pulp.
4608.00	Sulphite wood pulp, unbleached (kraft pulp).
4610.00	Sulphite wood pulp, bleached.
4619.00	Screenings and other wood pulp.

The Export-Import Department also provided that all contracts closed for the importation of chemical wood pulp up to June 20, 1945, the date of publication of Order No. 91, are exempt from the import-license requirements.

The import-license system in Brazil was originally instituted by Order No. 7, dated January 22, 1945, which was announced in FOREIGN COMMERCE WEEKLY of February 10 and 24, 1945.

Purchases of Ministry of Aeronautics From the United States Centralized in Aeronautics Purchasing Commission.—Purchases from the United States of materials required by the Brazilian Ministry of Aeronautics should be ordered through the Aeronautics Purchasing Commission in the United States, according to Order No. 197 of July 4, 1945, issued by the Minister of Aeronautics in Brazil, and published in the Diario Oficial of July 7.

Under the procedure established by this ruling, orders for aeronautical materials will be passed upon by the joint Brazil-United States Military Commission in Rio de Janeiro before they are submitted to the Purchasing Commission in Washington. The order covers the following three types of purchases:

(1) Orders placed directly by and for the account of the Ministry of Aeronautics.

(2) Orders placed by subordinate departments of the Ministry which have funds of their own for effecting purchases.

(3) Raw-material requirements of domestic factories to produce products ordered from them by the departments of the Ministry of Aeronautics.

When orders are placed with domestic manufacturers, it must first be verified whether they have sufficient stocks of raw materials to manufacture the products. If not, only the quantities necessary to complete the orders are to be sponsored.

This measure was taken to assure proper sponsorship of supplies for the Ministry of Aeronautics and to establish definitely the military end-use of the materials ordered.

British Guiana

Economic Conditions

The position of British Guiana's export trade during the last quarter of 1944 was not sustained in the first quarter of 1945—the value of export trade declining from 6,257,724 British Guiana dollars ($5,219,192) for the last quarter of 1944 to 5,468,100 B. G. dollars ($4,560,614) for the first quarter of 1945. Export trade during the first quarter of 1945, however, did reflect a slight increase over the corresponding quarter of the preceding year when exports were valued at 5,187,932 B. G. dollars ($4,326,942).

Shipments of rum, shingles, round and hewn timber, fell during the first quarter of 1945 in comparison with the preceding quarter, while shipments of sawn timber increased considerably. Rice shipments abroad reflected a slight increase over the last quarter of 1944. Exports of molasses for the first 3 months of 1945 amounted to 44,750 imperial gallons as compared with 1,664,421 imperial gallons shipped abroad during the calendar year 1944, of which 1,530,380 imperial gallons were shipped during the months of October, November, and December. The cessation of export trade in molasses during the first 7 months of 1944 was due principally to the lack of steel drums in which to ship the product and to difficulties of transportation. As the situation in this connection improved greatly during the latter part of 1944, special emphasis was placed on the exportation of molasses, which was in great demand by Great Britain.

Total dollar value of imports for the first quarter of 1945 was estimated at 4,920,879 B. G. dollars ($4,104,210), an increase of approximately $312,765 over the preceding quarter. Imports of cotton piece goods and artificial silks showed a favorable increase over those of the preceding quarter. Imports of butter were reduced substantially in the first 3 months of 1945, as well as imports of leaf tobacco and manufactured cigarettes.

The Chamber of Commerce of Georgetown urged the Government to relax the import restrictions imposed in 1941 as a result of the conferences held in that year in Jamaica and Barbados. The Government as yet has taken no definite step in this direction.

SUBSIDIZATION

Total proposed subsidy expenditures for the current year are placed at 1,931,925 B. G. dollars ($1,611,303) as compared with 1,969,531 B. G. dollars ($1,642,668) expended on subsidy measures during 1944. Of the amount approved for the current year, 1,000,000 B. G. dollars ($834,040) is to be borne by the colony, and the balance by the Imperial Government. The most significant change made in the 1945 program was the switching of subsidization from imported to local products. Introduction of subsidization of imported foodstuffs was made at a time when local provisions were in short supply. In 1945, with the availability of local foodstuffs in some cases far in excess of domestic requirements, the government, in an endeavor to encourage the consumption of these products produced at home, has placed emphasis on local commodities in its current subsidization program. Subsidies on flour, split peas, condensed milk, and edible oils have been reduced materially, whereas fresh milk, cornmeal, and margarine benefit from the new subsidy measure.

While subsidization was introduced as a wartime measure to control the cost of living, indications point to its continuance, in a modified form at least, in the postwar program of the government. This policy would enable the government to retain a measure of control over the trend of foreign trade and also would permit the encouragement of local agriculture.

The Cover Picture

Hand-Carved Road Sign

Quaint road signs, cleverly carved in wood and produced at Brienz, the "wood-carving capital" in the Bernese Oberland, are an attraction in Switzerland. We show one of them in our cover picture this week, the photograph having been furnished by the Official Information Bureau of the Alpine Republic.

"Wouldn't such a jolly sign," the Swiss inquire, "inspire you to hike on, in quest of another?"

Agriculture

In general, the available supply of domestically produced ground provisions during the first quarter of 1945 exceeded local requirements. Plantains were available in sufficient quantity to allow for the exportation of approximately 7,000 bunches during the first 2 months of the year. To increase the production of black-eyed peas, which had not been sufficient to meet requirements, the government increased the maximum selling price from 10 cents to 14 cents (British Guiana currency) to benefit producers. To encourage home consumption of cassava the government reduced the maximum selling price. Imports of oranges from Trinidad greatly increased during the last quarter of 1944 and the first quarter of 1945 as a result of the rather small supply of locally grown oranges.

Meats of all kinds were in extremely short supply during the early part of the first quarter of 1945. By March, however, the general situation had improved. Domestic supplies were at that time being supplemented by imports from Brazil, including live cattle from the adjoining Rio Branco Territory.

Rice Industry

Reflecting the emphasis being placed on the colony's rice industry in the government's program for economic development of the country, the Legislative Council approved the expenditure of 996,240 B. G. dollars ($830,904) for expansion of that industry. This was to be spent for the purchase of mechanical equipment, a new central rice mill, aid to the Mahaicony-Abary mechanical rice-cultivation experiment, and for other rice- expansion schemes. The Rice Marketing Board of British Guiana, the colony's sole rice producer and marketing agent, also intended to supply from its surplus funds a sum for the purchase of mechanical equipment.

Coconut Industry

In the early part of 1944 the colony's edible-oil industry found itself unable to compete successfully with foreign markets for the colony's supply of copra. The government, therefore, in May 1944 placed a ban on the exportation of copra. However, as there was a maximum ceiling price on refined coconut oil and none on crude oil, copra producers found it profitable to sell crude coconut oil to soap manufacturers, and the position of the edible-oil industry was not improved. To alleviate this situation, which became progressively more difficult, in March of 1945 the Government restricted the use of crude oil in the manufacture of soap. No soap manufacturer was permitted to use any deodorized coconut oil unless specifically authorized to do so by the Controller of Supplies.

Mining Industry

Mining activfty in British Guiana during the last quarter of 1944 and the first quarter of 1945 was confined exclusively to the extraction of gold, diamonds, and bauxite, and to several exploratory surveys of alleged deposits of sheelite, columbite, and tantalite. Production of bauxite, the most important mineral product in British Guiana, has decreased considerably as a result of international military considerations.

An amendment to the colony's Mining Regulations recently passed by the Legislative Council permitted the government to close any area of unoccupied Crown lands to prospecting operations under any prospecting license. Before the passage of this measure, the holder of a prospecting license was entitled to prospect and locate claims for minerals (bauxite excepted) in any unoccupied Crown land.

Fishing Industry

With a view to developing the fishing industry in the colony, the government early in the year approved the allotment of 10,000 B. G. dollars ($8,340) to assist that industry, and it is believed that further assistance will be forthcoming, if necessary, in view of local consumer demand. Salt fish normally is a staple article of diet in British Guiana. The colony's fishing industry to a large extent is unorganized and is composed of approximately 700 fishermen operating on a very small scale. Total imports of fish products during 1944 were estimated at over 4,000,000 pounds with a valuation of more than 847,000 B. G. dollars ($706,432). Fish imports during the first 2 months of 1945 compared unfavorably with the preceding 2-month period, particularly as reflected in imports of canned fish (purchased primarily from Canada). The Government in its subsidization program for 1945 increased the subsidy on salt fish by 66,575 B. G. dollars ($55,526) over the 223,425 B. G. dollars ($186,345) expended in 1944.

Drainage and Irrigation

Legislation recently has been passed which provides for the extension of cer-

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, messages, and speeches]

The Problems Confronting Regional and World Organizations

The American republics deserve great credit for the progress they have made toward finding the means whereby peoples may live together in friendly cooperation and whereby the inevitable conflict of interests may be reconciled without recourse to force. Much remains to be done. It would be fatal to adopt a complacent attitude or to assume that permanent and satisfactory solutions have been found for all basic problems. Measures already adopted must be improved; additional means to achieve the objective must be constantly searched for; and an open mind about making changes—especially fundamental changes—to meet new conditions must be retained.

The problems confronting regional and those confronting world organizations are the same. They fall into three principal categories, although there are no sharp lines of division: *political matters*—those which relate to the science and art of government, to the organization, regulation, and administration of a State, in both its internal and external affairs, and those which pertain to the conduct of all branches of government; *social questions*—those which concern the natural understanding and intercourse of individuals whose lives are distinctly shaped with reference to one another or to the individual in his group relations; and *economic problems*—those that are dealt with through the science that investigates conditions and laws affecting the production, distribution, and consumption of wealth, or the material means of satisfying human desires.

Political problems are of vital and pressing importance. Peace and security must be maintained—by the use of all the means at the disposal of international organizations. Limitation on national sovereignty will have to be accepted by all nations in equal degree. Drastic reduction of armaments should be made as rapidly as possible, and all offensive armament except that at the disposal of a world security organization should eventually be eliminated. Real understanding among peoples must be achieved. Freedom of information based on factual and complete reporting of events is essential. Civil liberties and human freedom must be made realities throughout the world.

Social problems, which occupy a middle ground between political and economic problems, involve such questions as employment for all who are able and willing to work, the conditions and wages of labor, land reform programs, public health and sanitation, education, the growth of middle classes, and the possible mass migrations of peoples in many parts of the world.

In the *economic* field there are such major problems as (1) the means to assure multilateral trade on a universal scale and as free as possible from artificial restrictions; (2) orderly processes for the supply and distribution of many commodities; (3) access to raw materials on equal terms for all countries according to their needs; (4) stabilization of currencies and the means to acquire foreign exchange for trade purposes and for international financial settlements; (5) settlement of intergovernmental debts; and (6) investment of foreign capital.

From "Inter-American Relations After World War II," by George H. Butler, Chief of the Division of River Plate Affairs, Office of American Republic Affairs, Department of State, which appeared in the Department of State Bulletin of July 15.

Europeans Grateful for Interior Secretary's Coal Plan

The representatives of nine European governments have sent the United States Government a formal expression of gratitude upon learning that the United States would endeavor to send 6,000,000 tons of coal to relieve suffering in devastated Europe this winter, Acting Secretary of Interior Abe Fortas announced recently.

The message, sent to the American representative on the European Coal Organization by the agency's Council of Organization, for dispatch to Secretary of the Interior Harold L. Ickes, read:

"It was the unanimous and warmly expressed desire of the Council that you be kind enough to telegraph Washington the sincere thanks of all the member governments for this further most timely, practical, and generous assistance from the Government of your country toward Europe."

Represented in the European Coal Organization are the Governments of Great Britain, France, Norway, Denmark, Belgium, the Netherlands, Greece, Luxembourg, and Turkey.

Secretary Ickes was asked to convey the message to the interested United States Government agencies, several of which recommended that he approve shipment of coal to help relieve privation among the liberated Europeans. These recommendations were made by the Department of State, Office of War Mobilization and Reconversion, Foreign Economic Administration, and the War Production Board.

tain existing drainage and irrigation areas and for the opening of new areas to drainage and irrigation control. It is anticipated that the proram to which the government has pledged itself will develop the agricultural industry of the colony and raise the economic standard of the vast number of small producers operating on a marginal basis.

Cost of Living

According to latest available indexes of the cost of living, the average level of retail food prices during the latter part of February 1945 was lower than that recorded for the preceding month. This was due in some part to changes in the prices of certain subsidized articles, particularly fresh milk. It is believed that the average level of retail food prices for March reflected a comparable, or greater, decrease, as a result of subsidization measures not reflected in the price index computed for February. A slight reduction was shown in the average level of prices for clothing for February as compared with the preceding month. The rent index indicated a slight rise during February. The average level of retail prices during February for fuel and light remained unchanged.

British West Indies

Economic Conditions

Situation in the Bahamas

Slight change occurred in the Bahamas during the first 6 months of 1945. A continuous flow of funds reached the colony, owing to the recruitment of approximately 6,000 Bahamian farm laborers for the farm-labor project in the United States.

The Negro natives received more money than at any previous time but did not proportionally benefit, because of increased prices for necessities, particularly clothing. No improvement was made in living conditions. Most of the benefits from this spending accrued to the merchants, who experienced excellent profits and turn-over.

The cost of living has increased 125 percent above the figure for 1939. The Bahamian Chamber of Commerce has stated that the Bahamas are "not a part of the West Indies" and do not desire to become a part of the West Indies Customs Union.

Representatives of several oil companies visited Nassau during the first 6 months of 1945, and each company has retained local attorneys. However, no drilling was started during the period.

All purchases outside the colony continued to be subject to the approval of the Financial Control Board, which has exercised a most rigid control. The pound sterling has been pegged at $4.06 for buying and $4.00 for selling.

Funds remitted by the Bahamian farm-labor group in the United States to their dependents in the Bahamas totaled $1,394,668 since the beginning of the project and $497,024 since January 1, 1945.

Unemployment was nonexistent in the colony during the first half of 1945.

Tariffs and trade controls continued to be handled by the British Purchasing Commission in Washington and the Financial Control Board in Nassau. Tariffs have not been altered; a 20 percent import tax plus a war tax of 5 percent on all commodities imported from sources outside the British Empire remained in effect. Products from the British Empire were subject to the preferential tax of 10 percent plus the 5 percent war tax.

Exports of shells during the first half of the year totaled $50,051 in value, and exports of straw work for the same period amounted to $121,831 in value. Exports of agricultural products consisted principally of tomatoes, which totaled $342,414 in value between November 17, 1944, and March 28, 1945.

The most important legislature passed by the House of Assembly was the Petroleum Act of 1945.

Situation in Barbados

The reaping of the sugarcane crop in Barbados proceeded slowly during the second quarter of 1945 owing to labor troubles and absenteeism, and the planting of food crops was delayed.

The end of the war in Europe brought little change in the local situation. A few controls, such as censorship and restrictions on the movement of merchant vessels, were abolished, which was of some assistance to business, but there was no relaxation of control over imports or exchange and no improvement in stocks of merchandise.

The government's index of the cost of living rose from 183 at the end of March to 186 at the end of April and May. The cost of living has risen 86 percent since September 1939; foodstuffs have risen 63 percent. This index is based on the living costs of the poorer classes and does not reflect the larger increase to be found in the general cost of living of the wealthier residents.

The War Manpower Commission of the United States recruited workers during April, May, and June, and approximately 4,600 workers emigrated from the island. Nearly 600 Barbadians between the ages of 21 and 35 years were working in the United States on contract.

The drought which prevailed during the first quarter of 1945 was broken early in April, and rainfall has been abundant since then. The average rainfall for April was 4.91 inches as compared with 2.01 inches during April 1944; in May the general average for the island was 6.51 inches, slightly less than during the preceding year; and during June showers were frequent and precipitation was average. Climatic conditions were favorable for plant growth.

The sugarcane crop appeared favorable, satisfactory growth having occurred during the second quarter of the year. In many districts there was an unusual prevalence of weed growth owing to the difficulty of obtaining labor for cleaning the fields.

Harvesting of the sugar crop continued throughout the quarter, and few estates finished reaping. A decrease in the yield of sugar occurred. Approximately 2,650 acres of ripe cane and nearly 200 acres of young cane have been destroyed by fire.

Production of sugar on the island at the end of May totaled 97,998 tons, while exports for the same period totaled 37,586 tons, of which 6,442 tons were in the form of fancy molasses. Stocks of sugar on the island on May 31 totaled 58,185 tons and consisted of 41,053 tons for export, 7,364 tons for local consumption, and fancy molasses equivalent to 9,768 tons of sugar.

The picking of the cotton crop was completed during April and May, but no figures were available as to the yield.

The planting of food crops was retarded by the slow reaping of the sugarcane.

An agreement between steamship companies and workers at the waterfront was signed on June 22. Although the basic pay of the worker is not changed, his working day is reduced from 9 hours to 8 and an hour is given while on board

ship for a meal outside the 8 hours provided for work. Stoppage of work during a dispute was outlawed, and labor must not slow down in order to create overtime.

Situation in Trinidad and Tobago

Purchase by the government of small tracts of land under the Land Allocation Policy continued in Trinidad and Tobago during the second quarter of 1945, but further large-scale acquisitions were halted temporarily because of the colony's financial commitments.

The government's policy of buying freehold lands, designating them for public services (such as reforestation, soil and water conservation), and offering to former property owners substitute lands under leasehold tenure continued to meet with increasing objection from certain agriculturists and the press.

The output of sugar totaled 76,348 tons, an increase of 2,000 tons over the 1944 season. Although production was below the 80,000-ton estimate, the season was regarded as successful. The problem in previous years of stand-over cane was eliminated by an adequate labor supply.

Applications for the first installment of the cane subsidy for 1945 at the reduced rate of $20 per acre up to a total of 16,000 acres continued to be received by the Department of Agriculture.

Production of 160,000 crates of grapefruit during the season ending in June was a slight increase over production in 1944. Orange growers reported an average yield of 18,000 crates.

Production of petroleum remained the colony's principal industry, and capacity levels were maintained.

A Local Industries Committee has been created to study the development of minor industries in the colony. Depending on the potential value of a particular industry to the colony, which the committee will determine, the government is prepared to offer assistance which may take the form of subsidy, tariff protection, prohibition or quota limitation of imports, or licensing of industries with a view to limiting competition.

The cost of living during the second quarter of 1945 remained at 195 (1935 taken as 100).

Improved shipping was reported, with no acute shortages of meat, fish, flour, and rice, although the colony was unable to import as much as it could use. Shipments of cheese, potatoes, and canned milk, which have been absent from the market for many months, have contributed to a slightly improved food situation.

Bulk purchasing virtually has ceased in the colony, and procurement of imports through regular commercial channels has been reestablished. The Office of the Controller of Imports and Exports has taken over the activities of the Control Board. However, quotas were still in force, and imports were restricted to minimum essentials of the colony in an effort to conserve currency.

The unemployment problem became acute during the quarter because of the release of several hundred Trinidad laborers from United States bases in Trinidad, together with the discharge of more than 300 local government laborers. It was estimated unofficially that approximately 15,000 were without employment in Port of Spain and 30,000 in the entire colony at the end of June 1945.

Dissatisfaction over wages in the oilfields has existed since May when the problem was referred to the Joint Conciliation Board and the Oilfields Union turned down an offer by the employers to increase wages by 1 to 5 cents an hour.

Canada

Transport and Communication

Toronto's Subway Plans.—Postwar plans of the Toronto Transportation Commission include both a north-south and an east-west subway route. The north-south route is to be from the Union Station on the south to Eglinton Avenue on the north, a total subway distance of 4.6 miles, with rapid-transit operation. The estimated cost is $28,050,000. The plan also provides for surface transportation north of the proposed Eglinton terminal, by new streetcar equipment on rebuilt tracks on Yonge Street; and the diversion of the present Bay Street surface electric railway route to St. Clair Avenue and Yonge Street. Also, it contemplates extension of the present Dupont Street surface electric railway route south on Bay Street to the docks at the Toronto waterfront, which would permit abandonment of the present electric-railway tracks on Avenue Road.

The Commission's plans for the east-west rapid-transit route generally along the line of Queen Street have been prepared in two alternative forms, one in the event that Queen Street is widened, and the other for use in case it is not. Estimated costs of the two plans are $23,000,000 and $19,300,000, respectively.

The total employment for the entire project is estimated at 7,250 man-years of skilled employment and 13,580 man-years of unskilled employment. It is planned to carry on this work during 1945 with the present engineering staff of the Rapid Transit Department, and it is estimated that contract plans and specifications can be completed for at least two sections during the year.

Merchant Seamen's Fine Morale

The discipline and morale maintained by American merchant seamen during the war were commended in a report by the War Shipping Administration's Committee on Crew Disciplinary Matters made public recently after 2 years of study and observation.

The committee said that it had found no indications of broad conflicts of interests between officers and seamen. Only three-tenths of 1 percent of misconduct cases reported concerned economic questions and disputes arising out of collective bargaining matters, and there have been no strikes of merchant seamen since Pearl Harbor, the committee reported.

Principal source of difficulties on shipboard are "clashes of personalities, individual intransigence, incompetence and negligence," the committee stated. A break-down of misconduct cases reported to WSA shows "absence without leave" and "failure to join ship" constitute the most frequent causes.

Chile

Economic Conditions

Situation in Punta Arenas Region

Economic conditions in the Province of Magallanes during the quarter ended June 30, 1945, were normal. As a result of favorable weather, grazing conditions were satisfactory. The 2,600,000 sheep of the Province produced approximately 20,000,000 pounds of wool during the 1945 season, the greater portion of which has been shipped to the United States.

A Chilean steamer with 7,800 bales of wool destined for the United States was lost in the channels near Punta Arenas, but about 5,000 bales of wool have been salvaged and will be dried, rebaled, and reshipped.

The five freezers in this region, which began operations during the month of March, completed their work in the second half of May. A total of 874,527 sheep and lambs were slaughtered in the 1945 season as compared with a total of 932,703 in the 1944 period. This decline has been attributed to the severe dryness of the pastoral lands as well as the reduction in the number of sheep arriving from Argentina. The camps at the end of June were well watered, however, and it is predicted that a greater number of animals will be slaughtered during the 1946 season.

There was a 7-percent decline in the number of sheep and lambs frozen compared with the preceding year, as freezer totals amounted to 738,071, compared with 796,122 in 1944. It is understood that the Chilean Government desired to ship about 8,000 tons of frozen meat to the north of Chile this year, but, in order to supply the British market, it decided to forward only the same amount as for the 1944 season, namely, 4,936 tons.

The British Ministry of Foods agreed to purchase up to 10,000 metric tons of frozen meat during 1945, but only 8,342 tons are available for export by reason of the insufficient number of animals available for slaughtering. This figure represents a decline of 8 percent from the total of 9,100 metric tons shipped in the 1944 season.

Coal exports from the Province of Magallanes have shown a steady decrease during the first 6 months of 1945, as shipments totaled only 12,420 tons compared with 21,315 tons exported in the same period in 1944. The decline in exports, which amounts to 1,000 per month, is attributed to a lack of interest by Argentine importers as well as lack of shipping space. One of the mines op-

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erating in the Province has already requested authority from the Chilean Government to cease operations in consequence of this reduction in exports.

Cuba

Tariffs and Trade Controls

"Humanized" or Modified Milk: Importation in Containers Weighing Up to 1 Pound Extended for Another Year.—Humanized milk and other powdered-milk products classified in the Cuban customs tariff under item 246–E may continue to be imported into Cuba in containers having a capacity up to 1 pound for another year, according to Decree No. 1904, published in the Official Gazette of July 19, 1945.

[For announcement of Decree No. 1916 of June 30, 1943, which originally permitted the importation of these products in 1-pound containers, see FOREIGN COMMERCE WEEKLY of August 7, 1943. Decree No. 1580 of June 7, 1944, extended this permission for another year. See FOREIGN COMMERCE WEEKLY of July 1, 1944.]

Transport and Communication

Series of Charter Flights Begun.—A series of charter flights between Habana, Cuba, and Miami, Florida, was begun on May 29, 1945, using equipment procured for the night flight between Habana and Santiago de Cuba which were scheduled to begin August 1, under the airmail contract between Compañía Cubana de Aviación and the Cuban Government. Additional equipment from the United States is being sought by the company.

Denmark

Tariffs and Trade Controls

Goods Exchange During Second Half of 1945 Arranged with Sweden.—An agreement between Denmark and Sweden, arranging for the exchange between the two countries of specified quantities of various kinds of merchandise during the second half of 1945, was signed on July 23, 1945, in Copenhagen, and export licenses are to be issued for its fulfillment pending approval of the agreement by the two governments concerned, according to announcements in the European press.

Swedish exports to Denmark are expected to amount to a total of 34,000,000 Danish crowns (or about 30,000,000 Swedish crowns), comprising iron and steel, metal manufactures, machinery, apparatus, chemicals, minerals, chemical pulp, and paper. (An agreement concerning the supply of lumber already has been concluded.)

Danish exports to Sweden are to include machinery and apparatus, electrical goods, pharmaceuticals, chalk, cement, paints, seeds, cut beechwood, canned skim milk, fish, eggs, and cheese, to a value of 25,500,000 Danish (or 22,500,000 Swedish) crowns. Sweden is to extend credit to Denmark to cover the 8,500,000 Danish crown balance of trade.

The existing arrangement concerning financial transactions between the two countries is to be continued. The presence of Swedish fishermen in Danish waters was also discussed. The possibilities of expanding the scope of the present agreement is to be examined later in the year.

Course of Canada's Industrial Production

In Canada, industrial production during the war followed the same general trend as in the United States, says a League of Nations statement; the expansion, however, was rather more rapid, 169 percent over the 1939 level at the peak in October 1943, and the subsequent decline, 11 percent up to April 1945, more marked.

Of the indexes for individual industries, that for iron and steel showed the greatest increase, exceeding the 1939 figure by 526 percent in October 1943; by April 1945, it had slipped back some 18 percent. Mining output in the Dominion reached its maximum as early as October 1941, when the index stood 155 percent above the 1939 level; nearly two-thirds of that gain has since been lost.

Production in Canada's important wood and paper industry reached its peak as early as the fall of 1941, 57 percent over the 1939 level—but manpower shortages brought the index down to almost the 1939 level in the beginning of 1943; since then a moderate recovery has been registered.

Finland

Tariffs and Trade Controls

Trade-and-Payments Agreement Signed with United Kingdom.—A trade-and-payments agreement between Finland and the United Kingdom was signed on August 2, 1945, according to an announcement in the Helsinki press of August 3.

[See FOREIGN COMMERCE WEEKLY of June 30, 1945, for an announcement concerning Finnish-United Kingdom trade arrangements.]

Transport and Communication

Airfield Construction Planned.—The new airfields at Turku (Abo), Finland, will cover an area of 300 hectares. There will be three runways, one of which eventually will be 3 kilometers in length, although the first portion to be constructed will cover only 1,500 meters. The width of the runways at first will be 100 meters but later can be increased to 300 meters, according to the Finnish press.

Increase in Number of Radio-Receiver Licenses.—The number of licenses for radio receivers in Finland at the end of 1944 was 496,732. By the end of May 1945, the number had increased to 521,636, according to the Finnish press.

France

Tariffs and Trade Controls

French Regulations on Gift Packages from United States.—The French provisional Government at present permits individuals to receive two gift packages per month, the combined weight of the packages not to exceed 12 kilogarms (26.455 pounds), according to information furnished by the United States Embassy in Paris. The recipients are not required to surrender ration coupons or to pay import duty or taxes on these packages.

The contents of the packages are limited to food and clothing items, with the further limitation that gloves, furs, silk lingerie, and tobacco must not be included.

It has been announced that the weight limit soon will be changed to conform with United States regulations (which permit sending weekly, to the same individual, packages weighing not more than 11 pounds each).

[See FOREIGN COMMERCE WEEKLY of June 2, 1945, for a summary of United States regulations on parcel-post service to France.]

Guatemala

Tariffs and Trade Controls

Alligator Skins: Export Duty Imposed.—An export duty of 0.10 quetzal on alligator hides 5 feet in length, and of 0.05 quetzal for each additional foot in length, has been established by a Guatemalan Executive resolution of July 2, 1945, issued by the Ministry of Agriculture and published in the Diario de Centro America of July 19, 1945. Exports of alligator skins previously were duty-free.

This resolution also establishes new regulations governing the hunting of alligators (prohibiting the hunting of those less than 5 feet long), abrogates regulations previously in force under Executive decree of May 24, 1933, lowers the cost of the hunting license from 30 quetzales to 10 quetzales, and imposes penalties for violations. The new regulations became effective the day after publication.

[For announcement of export restrictions on alligator skins, see FOREIGN COMMERCE WEEKLY of June 23, 1945.]

Metal Containers: Export Restriction Modified.—The exportation of metal containers holding Guatemalan products is authorized without restriction other than the requirement of proof of the origin of the products contained therein, in accordance with a Guatemalan Executive resolution issued May 23 and published in the Diario de Centro America of June 20, 1945. This modifies an earlier resolution adopted on February 23, 1943.

[For announcement of 1943 resolution, see FOREIGN COMMERCE WEEKLY of April 10, 1943.]

Haiti

Tariffs and Trade Controls

Sugar: Export Duty Increased.—A fixed export duty of 13.21 percent of the

f. o. b. contract price on exports from Haiti of brown, refined, or granulated sugar, as well as cane sirup and molasses has been established by Decree Law No. 504, published in Le Moniteur of June 7, 1945. Exporters are required to register their sales contracts with the National Bank of the Republic of Haiti within 15 days of the date of signature as heretofore, and contracts providing for a c. i. f. price must include freight contracts and insurance documents in order that customs authorities may determine the f. o. b. price. The new duty, which is considerably higher than the scale of rates in force previously, is designed to bring in larger fiscal revenues.

[For announcement of previous revision in sugar assessments see FOREIGN COMMERCE WEEKLY of February 14, 1942.]

Bananas: Export Duty Extended to All Exports of the Gros-Michel Type.—All bananas of the Gros-Michel type exported from Haiti are to be subject to the export duty of 0.10 gourde ($0.02) per standard stem of 9 hands or more, according to Decree-Law No. 502, published in Le Moniteur of May 31, 1945. A minimum stem of 6 hands will be considered as the equivalent of one-quarter of a standard stem, with a duty of 0.025 gourde; 7 hands to one-half a stem, 0.05 gourde; and 8 hands to three-quarters of a stem, 0.075. The present decree is for the purpose of generalizing the export duty applying to fruit exported by a monopoly heretofore operating in all sections of Haiti, but whose activities are now restricted by a new contract to certain specific sections of the country.

Mexico

Wartime Commodity Controls

Unrestricted Slaughter of Livestock Authorized.—The unrestricted introduction and slaughter of livestock in the slaughterhouses of the Federal District has been authorized by a Mexican executive decree published and effective July 26, 1945. The only limitation stipulated in the decree is that persons introducing livestock into the slaughterhouses must observe the ceiling prices for their product.

[For ceiling prices of meats in the Federal District, see FOREIGN COMMERCE WEEKLY of February 3 and April 28, 1945.]

Tariffs and Trade Controls

Zinc Oxide: Import Duty Changed.—The Mexican import duty on zinc oxide was set at 0.70 peso per gross kilogram for the 3-month period July through September 1945, according to a circular telegram directed to the Customs on July 4, 1945, and published in the Diario Oficial of July 26, 1945. This new rate will remain in force until a new circular designates a superseding rate. The previous rate of duty was 0.40 peso per gross kilogram.

This change in the duty rate is made in accordance with the provisions of Article II of the decree of December 22, 1944, published in the Diario Oficial for December 30, 1944, which stipulates that the Ministry of Finance is to fix the duty on zinc oxide quarterly, in accordance with a table showing sales prices during the preceding quarter.

[For announcement of decree of December 22, 1944, see FOREIGN COMMERCE WEEKLY of January 27, 1945.]

Subsidy on Exports of Garbanzos Repealed.—The subsidy granted by decree of April 1, 1940, to the National Union of Associations of Producers and Exporters of Garbanzos (chickpeas) on exports of chickpeas effected by it was repealed as of May 16, 1945, according to a joint resolution of the Mexican Ministries of Finance and National Economy, dated May 15 and published May 30, 1945.

Sales Tax on Ixtles and Subsidy to "La Forestal".—A tax of 0.25 peso per kilogram was imposed on all first-hand sales of ixtle of palma or ixtle of lechuguilla in Mexico, according to an Executive decree published June 29, 1945, and effective 10 days thereafter. Sales of these ixtles that are made by the Regional Federation of Cooperative Societies for the Common Sale of Forest Products, "La Forestal," F. C. L., will, however, be covered by a subsidy equivalent to the amount of the tax. "La Forestal" will be the sole ixtle producer exempt from the tax.

The purpose of the decree, according to the preamble, is to increase the production of ixtles, and especially to channelize this production so as to prevent speculation in these products, which are the principal means of livelihood of a considerable portion of the rural population. By subsidizing the ixtle sales made by "La Forestal," it is hoped that the majority of sales will be directed by this cooperative organization and that manipulation of these products by intermediaries will be eliminated.

Control of the Silk and Rayon Industry Continued.—Supervision of the silk and rayon industry by the Mexican Ministry of National Economy, as provided in article 11 of a decree of June 8, 1937, has been extended for two more years by an Executive decree published and effective July 9, 1945. According to provisions of Article 11 of the decree of June 8, 1937, the Ministry must give prior approval to any new installations or modifications of looms or other machinery producing articles containing silk or rayon in a proportion exceeding 25 percent of the raw material used. A similar decree was promulgated by the President June 15, 1943, and published July 10, 1943.

[For decree restricting the importation of silk and rayon yarn, thread for weaving, and knitting machinery, see Commerce Reports of July 17, 1937.]

Transport and Communication

Abrogation of Decree Controlling Traffic in Gulf of Mexico.—The Mexican decree of February 19, 1943, which placed the regulation and allotment of shipping space on coastwise and combined coastwise and Gulf runs under the control of the Ministry of National Economy, has been abrogated by an official decree published and effective July 11, 1945. The reason given for the abrogation is that coastwise traffic in the Gulf has become normal.

Nuevo Luredo Radio Station.—The radio station XEBK at Nuevo Laredo, Mexico, is expected to increase its power to 1,000 watts in the near future. The station operates on the medium wave length, and its slogan is "La Voz Indolatina" (The Voice of the Indian-Latins).

Brazilian Trade-Bureau Director Defines Machinery Import Regulations

The Director of the Brazilian Government Trade Bureau, Egydio da Camara Souza, in a recent statement in New York City, sought to clarify for the benefit of North American exporters the Brazilian import regulations concerning machinery.

Brazil recently acted to establish a ban against obsolete machinery, explained the Bureau Director, but the regulation was not intended to bar used machinery in good working condition.

"Brazil," said Director Souza, "is interested in advancing her industrial development by every means possible. It is obvious that wornout, broken-down equipment will automatically lower our standard of production, as the Government has taken pains to point out. However, reconditioned machinery from the United States that passes the inspection of experts is perfectly suited to our needs right now, and also during the period of transition which is bound to result from the termination of the war."

Nicaragua

Tariffs and Trade Controls

Import Duties and Other Customs Charges to be Paid at New Exchange Rate.—Import duties and taxes payable at customhouses in Nicaragua will be collected at the rate of 5 paper or circulating cordobas to 1 gold cordoba (the gold cordoba being equivalent to the United States dollar), according to a Nicaraguan decree published June 30 and effective July 1, 1945. The former exchange rate for duty purposes was 4 paper cordobas to 1 gold cordoba, in effect since August 12, 1939. An exception was made in the decree for merchandise in warehouses at Nicaraguan ports, drafts covering the value of which were paid before the new law entered into force and the duties and taxes on which will be liquidated at the former rate of 4 paper cordobas to 1 gold cordoba.

General import and export duties, together with surcharges and taxes, will continue to be stated in gold cordobas. Export duties, as heretofore, will be collected in United States dollars.

Norway

Tariffs and Trade Controls

Gift Parcels of Foodstuffs: Temporary Import Duty Exemption.—Gift parcels of foodstuffs not exceeding 15 kilograms in weight upon importation into Norway are exempt from duty and taxes, under a Finance and Customs Department Circular of July 11, 1945, published in Meddelelsen til tollvesenet No. 13 of July 16, and effective until further notice, but not after December 31, 1945.

Palestine

Transport and Communication

The Palestine Railways comprise three lines: The Palestine Railway (including the Petah Tiqva Railway) within the boundaries of Palestine; the Kantera-Rafa Railway, traversing the Sinai Desert in Egyptian territory; and the Hedjaz Railway, from Haifa to Acre and Samakh in Palestine and Deraa to Ma'an in Trans-Jordan. There is also a line 175 miles in length called the Haifa-Beirut-Tripoli Line which carries only military traffic.

Rail and Highway Operations.—The Palestine Railways carried 250 percent more freight in 1943 than is carried in normal times. During the 12-month period April 1943 to March 1944, 2,046,480 tons and 88,426 head of livestock originating on the Palestine Railways were transported, and, in addition, 548,890 tons and 30,730 head of livestock from outside lines were carried by two of these three railways. Freight ton kilometers totaled 474,203,000 and freight train kilometers totaled 2,393,252. Passengers carried numbered 3,312,903 and passenger train kilometers totaled 821,932. Operating revenue totaled £P3,115,470 (£P1=$4.02 in U. S. currency), and other revenue amounted to £P55,408. Operating expenses totaled £P2,134,669 and other expenses, £P190,304. The railways are government-owned and operated. Total capital account amounts to £P546,535 and the staff numbers 7,746. All railways are of single track and the total length of line is 1,144 kilometers.

There are 7,293 kilometers of suburban and interurban and 223 kilometers of intraurban bus routes in Palestine. Twelve of the largest of the former carried 3,348,000 passengers during December 1944, and 10 of the largest of the latter carried 11,254,000 during the same month. A few transport companies specialize in the carriage of parcels and part loads between the towns of Jerusalem, Jaffa, Tel Aviv, and Haifa (a total of 174 kilometers), but no other transportation of goods is undertaken on an organized basis. The total number of metric tons carried by the 12 largest transport companies during December 1944 was 55,564 tons. Road transportation is especially essential because of the lack of navigable rivers. Despite the extreme shortage of tires and parts, the principal bus service transported a total of 1,405,000 passengers in 1943 and 4,020,000 during the first half of 1944.

Sweden

Tariffs and Trade Controls

Motion-Picture Film: Restriction Removed on Importation of News Reels With Swedish Text or Sound Recording.—Effective from June 1, 1945, a Swedish proclamation of October 9, 1939, prohibiting the importation of news reels with text or sound recordings in Swedish has been canceled by a proclamation of May 18, 1945, published as No. 178 in Svensk Författningssamling.

[See Commerce Reports of October 28, 1939, for an announcement concerning the introduction of the above restriction.]

Commercial Laws Digests

Notary-Public Legislation Revised.—Swedish regulations concerning the qualifications, rights, and duties of notaries public have been revised by a Royal Enactment of May 18, 1945, published as No. 196 in Svensk Författningssamling of May 26, and effective from January 1, 1946.

Surinam

Transport and Communication

Telephone and Radio Services.—During 1944, 1,311,739 calls were made over the Surinam telephone system, which is owned and operated by the Government as a public service. Most of the equipment is obsolete and there has been some discussion of installing dial machines as soon as material is available. There is no long distance or toll board. The lines serve the city of Paramaribo and some of the surrounding districts, the longest line being along the railroad from Paramaribo to Dam, a distance of 173 kilometers.

The radio station at Paramaribo, which also is owned and operated by the government, serves the entire territory of Surinam. The office is open 24 hours each day. During 1944 there were 28,339 messages with a total of 726,275 words sent (number received not available). Present facilities appear adequate and purchase of new equipment is not at present contemplated.

Four government-owned stations in other towns are equipped to communicate with the Paramaribo office only. An additional station at Zandarif is operated by a private aviation company exclusively for its own planes and those of another company. A small broadcasting station in Paramaribo is operated by a private club, the equipment belonging to the Surinam Government.

With the exception of the government railroad, transportation in Surinam is confined to the rivers which are navigable only short distances from the sea. A few barges are available. There are no roads in the interior.

War's Effect on Dutch Railways

Total war damage to Netherlands railways will amount to some hundreds of millions of guilders, according to an estimate made by W. Hupkes, head of the State Railways, who stated that the condition of the railways now is comparable to that *of 75 years ago.*

Ninety percent of all the Dutch railways' prewar electrical wiring has disappeared, as has 65 percent of the freight cars, he said, while one-fifth of all the railway stations were damaged. Only a very few locomotives are left, and about 540 miles of track was broken up and carried off by the Germans.

Personnel of the State Railways are working hard, he said, in the hope of restoring some sort of rail service throughout Holland by October 1. Hupkes added that it was reasonably certain that electric-train service between Amsterdam and Rotterdam, via Haarlem and The Hague, would be restored by November 15.

U. S. S. R.

Transport and Communication

Reconstruction at Yalta.—In connection with the rebuilding of Yalta, in the Crimea, a causeway will be built to widen the quay from 35 to 150 feet. A motor highway now being laid in the mountains near the town will girdle the city and pass through a tunnel under the quay, according to the foreign press.

United Kingdom

Tariffs and Trade Controls

General Relaxation of Export Controls.—The Export of Goods (Control) (No. 4) Order, 1945 (S. R. & O. 1945, No. 576) cancels all previous export control orders and sets out the export licensing position as of June 11, 1945. It reduces substantially the list of goods requiring licenses for export from the United Kingdom and removes all the remaining countries from the list of territories to which the export of all goods is controlled by export licensing. It is not possible to summarize briefly the relaxations in export licensing control made by this order but among the more important goods affected are many types of machinery, certain metal goods, pottery, asbestos manufactures, abrasive manufactures, and certain chemicals.

Machinery Controls: Simplified Licensing Procedure Established.—The British Board of Trade has issued two new orders, effective as of June 11, 1945, whose combined effect is to bring the bulk of the controlled classes of machinery and plant, whether for home use or export, under a single licensing procedure. These simplifications of export licensing regulations mean that most of the controlled classes will be subject to

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New Books and Reports

★The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distributiou and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of interest to businessmen appearing in the Department of State Bulletin, August 12, 1945:

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for the price of 10 cents each; subscription price, $3.50 a year. The August 12 issue contains these articles:

OFFER OF SURRENDER FROM JAPANESE GOVERNMENT: Exchange of Notes by the Swiss Chargé d'Affaires and the Secretary of State.

THE BERLIN CONFERENCE.

DECLARATION OF WAR BY THE SOVIET UNION ON JAPAN.

CHARTER OF THE UNITED NATIONS AND ANNEXED STATUTE: Ratification and Deposit of Instrument of Ratification by the United States.

THE INTERNATIONAL COURT OF JUSTICE: By Green H. Hackworth.

PREPARATORY COMMISSION OF THE UNITED NATIONS.

CONTROL MACHINERY IN ZONES OF OCCUPATION IN AUSTRIA.

PROSECUTION AND PUNISHMENT OF MAJOR WAR CRIMINALS OF THE EUROPEAN AXIS.

STATUS OF COUNTRIES IN RELATION TO THE WAR, AUGUST 12, 1945: Compiled by Katharine Elizabeth Crane.

CURTAILMENT OF TRAVEL FROM THE WESTERN HEMISPHERE.

PROCEDURES FOR IMPORTING GOODS FROM ITALY.

AUTHORIZATION FOR AMERICAN BUSINESSMEN TO ENTER THE PHILIPPINES.

THIRD COUNCIL SESSION OF UNRRA: An address by Herbert H. Lehman.

RELIEF POLICY FOR EUROPE.

FINANCIAL AGREEMENT: UNITED KINGDOM—IRAQ.

Other Publications

MINING AND MANUFACTURING INDUSTRIES IN LATIN AMERICA. The United States Tariff Commission. A series of reports on mining and manufacturing industries in the American Republics.

MINING AND MANUFACTURING INDUSTRIES IN COSTA RICA. 1945. 11 pp.

MINING AND MANUFACTURING INDUSTRIES IN HAITI. 1945. 9 pp.

MINING AND MANUFACTURING INDUSTRIES IN NICARAGUA. 1945. 11 pp.

MINING AND MANUFACTURING INDUSTRIES IN PANAMA. 1945. 13 pp.

Available gratis from: The United States Tariff Commission, Washington 25, D. C.

POSTWAR IMPORTS AND DOMESTIC PRODUCTION OF MAJOR COMMODITIES. The United States Tariff Commission. 1945. 1,321 pp. Price, $1.75. A report to the United States Senate in response to Senate Resolution 341, 78th Congress, 2d Session. Report No. 154, Second Series.

Available from: Superintendent of Documents, Government Printing Office, Washington 25, D. C.

Turkey's Sümer Bank Planning Many Projects

(Continued from p. 10)

Plans for these three projects are available to interested bidders from the Sümer Bank.

Numerous Other Plans

The Sümer Bank is also preparing plans for a factory, probably in Ankara, for the production of pumps, electric fans, simple electric motors, internal-combustion motors for small boats and tractors, simple types of farm machinery, and spare parts for existing German equipment. Specifications for this installation are expected to be ready in September. Other plants to make generators, electrical accessories, circuit breakers, insulation equipment, and cables are also contemplated. In addition, a considerable amount of excavating and earth-moving equipment, hoists, and other similar construction machinery will be needed.

Services of American technicians and engineers are likely to be sought for many of the installations, not only at the time of their construction but also during the initial period of operation.

To finance its program of industrialization, Turkey may seek foreign financial aid in the form of loans or credits.

News by COUNTRIES

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machinery licensing alone. The few classes remaining subject to export license will not require a machinery license if the export license is granted.

The Machinery, Plant, and Appliances (Consolidation) Order, 1945 (S. R. & O. 1945, No. 631) consolidates the existing provisions with the following changes:

(*a*) Supplies of controlled goods for export are subject to control under this order so that supplies, both for home and export, can be authorized under a single and simplified procedure.

(*b*) Licenses to export issued to manufacturers under the export controls orders have effect for the purpose of this order.

(*c*) The Schedule of Controlled Goods has been curtailed by the deletion of certain classes which are now free from control by license. These classes include machinery for the following purposes: Making embroidery; making hats, caps, or other headwear; making scent; bronzing or similar work; garden rollers; working, dressing, or processing fur; washing tableware; washing lubricating oil; scrubbing or polishing floors; and removing hardness from water. Hand-operated types of machinery for grinding or roasting of coffee and machinery for preparing or processing food have been excluded from the licensing requirements. The classification relating to private telephone systems and apparatus has been reduced in scope.

Transport and Communication

Cargo Handled at Liverpool.—Since September 1939 Liverpool dockworkers have handled 70,000,000 tons of cargo. During the same period 10,660 airplanes arrived at the port.

The head office in Europe of the Canadian Pacific Steamships will be transferred from London to Liverpool, making the latter the principal port in Europe for that company's vessels plying to Canadian ports, according to a Liverpool press report.

Contributors' Column

Donald F. Heatherington ("British Postwar Balance of International Payments").—See FOREIGN COMMERCE WEEKLY of May 19, 1945.

Walter A. Janssen ("The Story of Almaden").—See FOREIGN COMMERCE WEEKLY of July 21, 1945.

Jacques Kunstenaar ("Selective Imports for Small Retailers").—See FOREIGN COMMERCE WEEKLY of July 7, 1945.

R. R. Montell (coauthor "Sweden's Glass Business").—Appointed as supervisor of construction at Helsinki 1938; on July 11, 1940, appointed also vice consul at Helsinki. Resigned January 1941. Reemployed as clerk February 41. Transferred to Stockholm April 21, 1943.

Donald S. Parris (coauthor "Sweden's Glass Business").—Born Glen Burnie, Md. University of Maryland, A. B. in Business Administration, 1929; in that same year he attended Teachers College at Columbia University. After teaching mathematics and general science in Delaware public schools, and being principal at Hartly School in that State for 3 years, Mr. Parris entered the Government service with an appointment to the Bureau of Foreign and Domestic Commerce at Washington in 1935. Later he served on temporary appointments in the Census Bureau and other Government agencies, returning to this Bureau in 1938. Now Acting Chief of the Specialties Unit. He is the author of the monographs "Latin American Handicraft," 1940, and "World Production and Trade in Sponges," 1941.

News by COMMODITIES

Beverages

Canadian Wine Market

Canada's annual wine consumption amounts to about 5,000,000 gallons. Before the war imports amounted to about 16⅔ percent of consumption. During recent years, with France, Spain, and Portugal, the chief suppliers, out of the picture, imports dropped to 10 percent of the total.

The United States has never supplied Canada with any appreciable quantity of wine, but the trend has been decidedly upward in the past 3 years. The following table shows the value of still wines imported into Canada from the United States in the years 1937 to 1944, inclusive:

Year	Value
1937	$6,794
1938	2,566
1939	2,666
1940	8,057
1941	5,482
1942	17,782
1943	23,871
1944	29,981

Imports of sparkling wines are not shown separately, mainly because such imports are small.

Wines imported into Canada from the United States, although subject to higher rates of duty than wines imported from Australia, New Zealand, and British South Africa, enter Canada at as favorable rates of duty as are extended to France, Portugal, Spain, or South American countries. Still wines up to 23 percent of proof spirit are dutiable at 20 cents per gallon; over 23 percent but not over 26 percent, 97½ cents per gallon. For wines from 26 percent up to 40 percent of proof spirit there is an extra duty of 3 cents per gallon for each degree in excess of 26 percent. Wines are also subject to the 10 percent war exchange tax on the dutiable value, and domestic as well as imported wines are subject to sales tax.

If any substantial market in American wines is to be developed in Canada, the laid down prices should not be out of line with domestic prices or with the prices of other wines which are at present being imported.

American wines are not subject to Canadian price ceilings. Therefore, American wines are not debarred from the Canadian market by reason of increases in selling prices which may have occurred since Canadian price ceiling regulations went into effect.

Nicaraguan Market for Carbonated Beverages

Although nonalcoholic beverages made from fruits, seeds, and grains are consumed in fairly large quantities throughout Nicaragua, transportation difficulties limit the sale of carbonated beverages largely to towns of 20,000 or more population. Estimated on the total population, the per capita consumption during 1944 was 10 six-ounce bottles. Based on the urban population it was 25 six-ounce bottles.

Most of the carbonated beverages sold in Nicaragua are bottled locally, the total production in 1944 reaching 981,300 dozen 6-ounce bottles. Imports during 1943, the latest year for which statistics are available, equaled 15,635 liters of soft drinks and 3,763 liters of soda and mineral water. In addition 9,940 liters of fruit juices, sweetened or pure, nonalcoholic or containing less than 4 percent alcohol, also were imported.

A total of 31 firms, all domestically owned, were producing carbonated beverages in Nicaragua during 1944. The plants manufacture drinks of all the usual flavors, as well as soda water, but it has been found that the kola and grape beverages are the most popular. Concentrate for the kola beverage, formerly imported directly from the United States, comes from Panama at the present time. The other flavors, for the most part, are also imported. Orange and tangerine flavorings are the only kinds known to be produced domestically, and the bulk of the orange is imported.

Imports of flavored carbonated beverages have more than doubled in both quantity and value from 1938 through 1943, and imports of fruit juices have increased five times in quantity and more than seven times in value in the same period. Soda and mineral water imports have shown little change in total quantity through the period.

The United States and Panama were the principal sources of supply for imported flavored carbonated beverages through these years with the exception of 1942 when 29.5 percent of the amount imported came from Honduras. In 1943, 38 percent of the imports came from the United States and 59.2 percent from Panama. During 1942 and 1943 other Latin American countries also entered the Nicaraguan market. There is practically no export trade in beverages.

The principal retail outlets for carbonated beverages in Nicaragua are small pushcarts equipped with an ice compartment. Considerable quantities are also sold at soda fountains and in small shops. Regular bars, restaurants, and hotels sell only a small proportion of the total consumed.

In the absence of advertising agencies in Nicaragua, all promotional work is done by the manufacturers. The amount spent on advertising by different bottlers varies. One plant is setting aside $12,000 for advertising in 1946, but not more than a third of this amount will probably be spent.

It appears that the potential market for carbonated beverages is far greater than existing production facilities can supply. Moreover, it may be expected to increase as transportation facilities are improved.

Meanwhile a definite demand exists for imports of beverage-making machinery from the United States inasmuch as the machinery now being used is for the most part outmoded.

Consumption in Uruguay

The most popular beverage in Uruguay is wine, followed in order by beer and fresh fruit drinks. The demand for beer is increasing gradually each year, whereas that for wine remains more or less stationary.

It is estimated that the per capita consumption of beer in 1944 was 8.40 liters, and of malt extract, 1.59 liters.

Production statistics of beer and malt extract for the years 1938 to 1944, inclusive, are shown in the following table:

[In liters of 1.0567 quarts]

Year	Beer	Malt extract
1938	14,940,064	2,611,822
1939	15,629,856	2,922,850
1940	17,789,281	2,701,300
1941	16,618,220	2,469,100
1942	18,689,451	2,662,027
1943	18,851,695	2,658,400
1944	19,320,807	3,658,900

Very little beer was imported into Uruguay in the years 1938–40 inclusive, and none was imported in the years 1941 to 1944.

Within the classification of malt beverages, the greatest preference is for light beer, with dark beer, malt extract, and stout following in the order given.

Beer Famine Looming in Britain?

A delegation of British brewers went to Germany in May to ascertain how soon 22 German breweries can be put into operation to supply the army of occupation with German beer rather than British beer, according to the foreign press.

The brewers' first stop was Heidelberg, whose brewery has a daily capacity of 250,000 bottles of lager. If barley can be obtained from the United States the brewers hope to have this plant in operation in August or September.

Many parts of England, particularly London, are facing or already undergoing a beer famine. Reasons for this are: (1) Women who did essential work in the breweries are being allowed to leave; (2) transport labor is difficult to find; (3) hops are scarce; and (4) there is a shortage of bottles.

There is no local production of ale or porter.

Both of the breweries operating in Uruguay hope to obtain additional machinery after the war.

The possibilities of the United States furnishing Uruguay with cases or cartons are considered nil, because of import costs and local competition. However, Uruguay may be a market for metal or oak barrels. As the price of oak is very high it would be cheaper to import the barrels than to have them made locally. One company has a few small metal barrels purchased in Czechoslovakia, and it has indicated a desire to purchase more of this type after the war.

Spirituous liquors are consumed in relatively small quantities. "Cana," a strong native liquor, is the most popular, being consumed in double the quantity of its nearest competitor, "grappa." Cana is made from any one of the bases of sugarcane honey, sugarcane molasses, or unrefined sugar, which materials are usually imported from Argentina and Paraguay. Grappa is distilled from the skins and pits of grapes.

The third most popular is an aperitif called amaro or amerge. Brandy (usually called cognac in Uruguay) is next in importance and approximately 90 percent of total consumption is produced domestically.

Whisky, which is the largest seller of all imported liquors, is not produced in Uruguay. Approximately 98 percent of all sales are of Scotch. The sale of whisky has increased greatly in recent years, especially during the war. Before the war not more than 50,000 liters (1 liter=1.0567 quarts) were imported annually, but in 1944 approximately 174,000 liters were imported.

At present, 93 percent of the gin and 97 percent of the anisettes consumed in Uruguay are domestically produced. Guindado is a native liqueur and is not imported. The remaining cordials, liqueurs, and a variety of macerations, including fernets and bitters, are produced in relatively small quantities.

While there is no legal prohibition to the importation of rum, it is, in practice, restricted in quantity, awaiting the decision of the Government as to whether it will or will not continue to allow its importation.

There is a potential demand for American beverage machinery, provided that prices and terms are attractive and foreign exchange is available.

Swiss Wine Production

The year 1944 was a good one for Swiss viticulturists. According to preliminary figures, 960,000 hectoliters (1 hectoliter=26.42 gallons) of red and white wine were obtained from the 1944 grape crop, as compared with 747,000 hectoliters in 1943, and an annual average of 677,000 hectoliters during the past 10 years.

Chemicals

Australian Output of Arsenic

So far, Australia's annual requirements of white arsenic, amounting to about 2,000 long tons, have been met by domestic production. The material is obtained chiefly as a byproduct of the treatment of gold-bearing ores in a large mine in Western Australia. However, this mine is reported to be failing and is expected to last only a short time longer. Arsenic is found in one or two places in New South Wales, but it is not feasible to mine it because of the cost.

Output of arsenic reached 2,719 tons in 1941–42, and exports of arsenic and compounds increased from 403 tons in 1937–38 to 1,622 in 1941–42, the United Kingdom and New Zealand being the principal markets. Probably because of lowered production, exports declined to 546 tons in 1942–43 and to 106 tons in 1943–44.

Britain To Be Active in Export of Small Tools

Sponsored by six leading small-tool companies and with the full cooperation of the Department of Overseas Trade, the British Engineers' Small Tools & Equipment Co., Ltd., has been formed to develop the export side of the precision engineering industry, according to the British press. Plans have been made for the early setting up of London showrooms, oversea offices, and oversea servicing facilities.

The new company, to be known as BESTEC, will undertake market research specifically directed to the marketing of engineering products based on local conditions, and it intends to become a member of the new BETRO (British Export Trade Research Association).

Sulfur Production, Ecuador

Although several sulfur deposits have been reported in Ecuador, only one, which is located near Alausi, is being worked. The annual output of this mine averages about 50 tons.

Eire's Imports of Soda

Eire's imports of caustic soda dropped considerably during the first 4 months of 1945 from the total for the corresponding period in 1944. Comparable figures are shown as 3,711 and 6,059 hundredweight, respectively, and values as £3,305 and £5,334.

However, imports of sodium carbonate (not in powder form) increased from 2,046 hundredweight during January–April 1944 to 9,569 in the first 4 months of 1945; values were £1,305 and £4,560.

Imports of other sodium compounds showed a decided drop during the first 4 months of 1945 from those in the corresponding period of 1944, quantities being 51,604 and 81,623 hundredweight and values £30,105 and £41,766.

Limestone Production Planned in Newfoundland

Plans are under way to obtain agricultural limestone from the quarry at Corner Brook, Newfoundland. The material will be handled by the Agricultural Division of the Department of Natural Resources and is to be sold in carload lots to farmers.

Operation of the quarry for this purpose will require the installation of a crusher and pulverizer and the provision of loading facilities at the railway.

Spanish Firm Erecting New Plant

Sociedad Española de Carburos Metálicos is erecting a new plant at Vitoria. The firm manufactures calcium carbide, oxygen, dissolved acetylene. and materials for oxyacetylene welding, and at its plant in Galicia it produces ferrosilicon and ferromanganese.

It was reported at the end of May that an office had already been established at Vitoria and that work had begun on the factory.

Production in U. K.

The amount of crude tar distilled in the United Kingdom has declined during the past 3 years. It amounted to 2,172,000 long tons in 1942, 2,124,000 in 1943, and 2,083,000 in 1944. However, output in 1944 was 223,000 tons greater than in the prewar year 1938.

Creosote-oil production reached a peak in 1942 of 64,000,000 imperial gallons, declining to 55,000,000 in 1944. Output of refined cresylic acid of all grades totaled 7,056,000 gallons in 1944, compared with 7,242,000 and 6,176,000 in the 2 preceding years.

Production of crude naphthalene remained between 14,000 and 15,000 tons during the 3 years 1942–44, whereas output of pyridine bases declined during the same period.

Coal, Coke, and Fuel Gases

Coal Resources of Western Australia To Be Studied

A 4-year program of research into the coal resources of Western Australia is planned by the newly created Fuel Technology Bureau, for whose work a sum of £10,000 has been allotted by the Government. The Bureau will study the composition, calorific value, and industrial possibilities of the coal being mined in the State for the purpose of determining the most efficient utilization of the coal resources of this region. The Bureau has been promised the cooperation of the South Australian Government in the exchange of technical data and reciprocal use of equipment.

Italian Coal and Gas Situation

Permission was granted by the Allied Command early in the summer for the shipment of approximately 142,000 metric tons of coal into Italy during June, July, and August, according to the Italian press. It was anticipated that although initial monthly shipments would be small, by September they could be increased to a probable 200,000 metric tons, at which time the country might be able to obtain additional supplies from other sources.

Maranhao's Babassú Exports Double in Value

Babassú exports from the State of Maranháo (Brazil) to the United States for the first 6 months of 1945 have doubled in value as compared with the corresponding period last year, according to information just received by the Brazilian Government Trade Bureau in New York City.

Between January and June of this year, 12,863,960 kilograms of nuts, valued at 30,133,067 cruzeiros or $1,506,653, were shipped to the United States by Maranháo, Brazil's principal producing State, which has over 1,000,000,000 trees. Exports of babassú oil during the same period totaled 550,000 kilograms, valued at 2,183,651 cruzeiros or $109,183.

Total value of nuts and oil for 1945 is expected to be twice as large as last year, on the basis of current estimates. According to an agreement with the United States, Maranháo must supply 75 percent of national babassú production to American markets. Exporters believe that the State will not only meet its annual quota this year, but will also make up deficits of the past 2 years.

Maranháo's inability to live up to its quota in 1943 and 1944 was due to various unexpected factors, chiefly the shift of labor to other zones and restricted transportation. Some of these difficulties have been removed, but transportation is still a problem, in view of the present lack of trucks and roads to speed the product to ports of embarkation. In some districts stocks have piled up awaiting shipment.

Babassú oil is particularly valuable as a substitute for coconut oil, now difficult to obtain in sufficient quantities because of the war, which curtailed or reduced shipments from the East Indies, the Belgian Congo, and the Philippines. Babassú is valuable in the preparation of cooking oil, soaps, and perfumes.

In a normal year Italy uses about 16,000,000 metric tons of coal, of which 3,000,000 tons are produced domestically and the remainder imported. Consumption in northern Italy is equal to two-thirds of this amount. It was reported, however, that if northern Italy could obtain even a third of its ordinary requirements, its industries would be able to resume production.

The gas works which supplies Rome is finding it difficult to obtain sufficient coal to maintain production at its accustomed level, according to the Italian press. Any threatened curtailment of production would also involve cut-backs in the company's manufacture of several important byproducts, including coal tars and coke. At present the gas works has about 1,100 employees.

The methane-gas industry of Italy has announced that three damaged feeder stations in its pipe lines in the region of Emilia are being repaired and shortly will resume operation. The stations ordinarily have a combined production of 14,500 cubic meters of gas daily. Several larger stations with daily output of 4,500 cubic meters and 15,000 cubic meters, respectively, were unhurt during the war.

In the Milan area, 27 kilometers of pipe line and five distributing stations are in operation. Gas is distributed directly to consumers or retailed in metal containers. The city of Milan is now using about 20,000 cubic meters of gas daily, an amount equal to approximately 50 percent of its normal consumption.

Construction

Housing Construction, Saskatchewan, Canada

Small one-family houses are being built in the Canadian Province of Saskatchewan, principally in the cities of Regina, Saskatoon, and Moose Jaw. Although these dwellings will not greatly relieve the housing shortage, they will prevent it from becoming more acute. The number of houses now under construction probably does not exceed the requirements of a normal year.

Property in a prominent part of Regina has been purchased by an English theater company as the site for the construction of a $250,000 theater. Work will begin as soon as materials become available.

Construction Projects in Ecuador

To facilitate the completion of a cathedral under construction in Guayaquil, Ecuador, the Ecuadoran National Constitutional Assembly has issued a decree establishing a Board for the Construction of the Cathedral, and also imposing a tax on the declared capital of all registered industrial and commercial organizations in the canton of Guayaquil. It is estimated that the tax, which will be in effect from 1945 through 1948, will yield about 600,000 sucres annually.

Arrangements have been made for the construction of an Episcopal Palace and a secondary school for women in Ambato, Province of Tungurahua.

Activity in Trujillo, Venezuella

Construction activity in Trujillo, Venezuela, includes the erection by the Venezuelan Government of two-story barracks for the use of the infantry battalion stationed in the city. Plans also have been made to install a sewer system in the principal sections of Trujillo at an estimated cost of $360,000. Consideration is being given to the erection of a much-needed modern hotel in the city, and it is expected that it will attract tourists from the Lake Maracaibo district. The building of 100 low-cost dwellings in overcrowded sections also is projected.

Plans have been made to construct a 30-bed hospital in the town of Escuque, State of Trujillo. The total cost of the building, furnishings, and equipment is estimated at about $24,000, and financial assistance has been obtained from the State, municipal authorities, and the general public.

Electrical Machinery and Equipment

Hydroelectric Plant Under Construction at Peti, Brazil

A hydroelectric plant is under construction at Peti about 16 kilometers from Belo Horizonte, Minas Gerais, Brazil. Upon completion, the installations will have 44,000 horsepower and be capable of supplying sufficient electricity for Belo Horizonte, where there has been a shortage of electrical current for general use.

Water reserve for the dam will be about 32,000,000 cubic meters, flooding 6,776,000 square meters of land. A second water reserve of 50,000,000 cubic meters is planned near the village of Sao Bento. Flowing capacity will be 20 cubic meters per second. A 1,400-meter tunnel will connect the dam with the power equipment.

Two electrical units will eventually be in operation, the first with a capacity of 4,500 kilowatts and the second with a capacity of 4,000 kilowatts. Turbines and generators to be installed are of United States manufacture. Total cost of the former unit is estimated at $3,500,000 and of the latter at $2,800,000.

The company is building a substation at Horto Florestal, which will receive the power of the first unit of 4,500 kilowatts and transform the current to 13,200 volts.

Actual construction of facilities, which began in 1943, should be completed in 1946.

Electric-Light-Bulb Output, New Zealand

Two factories now are manufacturing electric-light bulbs in New Zealand, reports a foreign journal. Their combined output exceeds 3,000,000 bulbs annually and is expected to reach 6,000,000 by the end of the war.

Foodstuffs and Allied Products

Effects of the War on Eire's Agriculture

World War II, and the consequent scarcity of shipping space and the stoppage of supplies upon which the country was dependent, completely changed Eire's agricultural economy.

Wheat had to be grown to provide bread, corn for feedstuff became unobtainable, artificial fertilizers became scarce and later vanished completely, and compulsory tillage regulations were introduced.

Prior to the war, farmers in Eire depended to a large extent on imported food for both human and animal feed-

ing. Hog production was being developed, some of the larger producers feeding between 300 and 500 animals. When corn was no longer available, these feeders had to go out of production, and factories which killed up to 2,000 hogs per week came down to as low as 200. For some time, however, there has been a tendency toward greater hog production.

The breeding of hunters, which in normal times was very profitable, suffered a set-back. In the first years of the war the breeding of thoroughbreds slumped, but the high prices paid at recent bloodstock sales indicate a big recovery.

The cattle population remained fairly steady throughout the war years. Shortly after the commencement of hostilities, prices showed an upward tendency, especially for export heifers likely to become good dairy cows.

Restrictions on shipping, especially from the port of Cork, affected cattle prices, which have soared since September 1943 because of the demands of the home buyers and feeders in anticipation of a keen shipping trade. From January up to about the middle of February 1945, young cattle were practically unsalable, but after that a good demand for them developed.

Beef cattle reached higher figures than at any time within the past 20 years, chiefly because of increased domestic demand. Probably the greatest export trade was in veal. From 3,000 to 4,000 calves a week have been exported as veal in the present year by several of the larger exporting firms engaged in this trade. There were many contributing factors to this, not the least being the reluctance of farmers to attempt rearing the calves because of the shortage of feedstuffs. Milch cows have dropped in price within recent months. A year ago these had reached an exceedingly high level.

The numbers of sheep were fairly well maintained, and prices advanced.

Compulsory tillage was introduced, at first applicable to 10 percent of arable land, later to 25 percent, and then to 37½ percent. The farming community as a whole responded well to these demands, but some farmers were inexperienced in tillage, and areas that formerly specialized in dairying did not have the necessary machinery to undertake the required tillage. In other areas there were sometimes delays in obtaining essential parts for implements. Much was done in the growing of substitutes for the feedstuffs that formerly were imported. The planting of beans and flax for seed was revived to take the place of imported concentrated cake for dairy stock, and a great deal was done in silage making.

Farmers took advantage of the subsidy schemes for various types of farm improvements. In County Cork, seed production proved a very profitable undertaking, returning as high as £100 per acre. Mangold, turnip, rape, and kale seed production proved so remunerative that it is a side line most likely of future development. In certain areas, particularly Youghal, County Cork, and parts of Waterford and Kerry, onion growing on a large scale proved equally successful.

The poultry industry was adversely affected by the war, largely because of the scarcity of feedstuffs. The position has begun to show improvement, however, with the increased amount of feedstuffs available and the satisfactory price which eggs command. Moreover, there seems to be an assurance that these prices will be maintained over a long period because of the requirements of the British people.

Sufficient sugar beet was grown in 1943 and 1944 to meet domestic requirements. While the crop involves considerable labor in pulling, topping, and delivery, the price has been generally regarded as satisfactory.

The potato acreage did not increase during the war to the desired extent. Production left little margin for the use of this food for animal feeding.

In prewar years apple production was not large, and no attempt was made to grade the fruit, but leading growers are now putting their produce on the market in attractive form.

The war has brought interest in tomatoes. Tons of home-grown tomatoes of good quality now come from greenhouses and gardens in Eire.

Dairy Products

Milk Production, Ceylon

There are no official statistics on the production of fresh milk in Ceylon, nor is there any government control over its distribution. An estimated 24,000,000 gallons of fresh milk were produced in 1935, and 1945 production has been estimated at about 5 percent higher, or about 25,200,000 gallons, which is slightly less than 1½ ounces per capita per day. Including the fluid milk which will be made from condensed and powdered milk in 1945, the total will be between 28,100,000 and 28,700,000 gallons of milk as compared with the estimated minimum milk requirements of 122,000,000 gallons.

The Government operated six dairies of about 200 cows each before the war and since the war four additional government dairies, each having approximately 400 cows, have been established. Cattle have been imported from Australia to improve the breeds at these dairies. This makes a total of 2,800 cows as compared with an estimated 241,374 milch cows and 132,985 milch buffalos in 1929.

Six pints of reconstituted milk are made from 1 pound of powdered skimmed milk. About 2½ years ago the regulation requiring butter to be added to reconstituted milk was canceled. At the present time 90 percent of the powdered milk is consumed by children under 5 years of age, and the remainder is released to the public. During 1945 it is expected that enough powdered milk will be imported to make 1,700,000 gallons of reconstituted milk.

Almost all the small amounts of powdered full-cream milk imported are turned over to the civil hospitals.

All the condensed milk now being imported is distributed to children under 5 years of age and to hospitals. Excluding the amount which may be received from the United States, it is expected that sufficient condensed milk will be imported in 1945 to make 1,206,000 gallons of milk. Including the amount expected from the United States the total would be 1,830,000 gallons of milk.

Fruits and Vegetables

Citrus Fruit Crops, Trinidad, B. W. I.

War shortages of material and labor have been responsible for the neglect of the citrus-fruit plantations in Trinidad, British West Indies. This, coupled with rising production costs, has resulted in only average yields being reported by grapefruit and orange growers when good yields were expected. The Government's recent decision to assist and expand the industry has met with wide-

World Production of Artificial Textile Fibers

World production of rayon rose from 352,000 metric tons in 1934 to about 650,000 metric tons in 1942, while world output of staple fiber (an artificial fiber suitable for spinning on cotton and worsted machinery) jumped from 23,000 to about 900,000 metric tons during the same period, according to a special table given in the League of Nations' Monthly Bulletin of Statistics.

In 1942, the leading producers of rayon were: the United States with 217,000 tons, or one-third of world production; Japan, 135,000 tons; Germany, 100,000 tons; Italy, 60,000 tons; and the United Kingdom, 40,000 tons. Of staple fiber: Germany, with 400,000 tons, or nearly half of world output; Japan, 180,000 tons; Italy, 150,000 tons; the United States, nearly 70,000 tons; France, 27,000 to 28,000 tons; and the United Kingdom, 20,000 tons.

In the United States, production increased further in 1943 and 1944 to 227,300 and 253,000 metric tons of rayon, and to 73,492 and 75,000 metric tons of staple fiber. Output in 1934 had been 94,494 metric tons of rayon and only 998 metric tons of staple fiber.

The former Axis countries—Germany, Italy, and Japan—greatly increased their output of rayon and especially of staple fiber, both before and during the war that is now ended. Between 1934 and 1942, rayon production rose from 39,000 to 100,000 tons in Germany, from 39,000 to 60,000 tons in Italy, and from 70,000 to 135,000 tons in Japan; staple fiber output during the same period soared from 7,000 to 400,000 tons in Germany, from 10,000 to 150,000 tons in Italy, and from 2,000 to 180,000 tons in Japan.

Only in the United Kingdom was rayon and staple-fiber production estimated to have been lower in 1942 than in 1939.

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spread approval by growers in need of new and improved stock to meet domestic and export demands.

Approximately 160,000 field crates (each crate contains about 90 pounds of fruit) or 6,428 tons of grapefruit were harvested in the first 6 months of 1945. This represents an increase of nearly 959 tons of fruit over the 1944 season.

The Cooperative Citrus Growers' Association which handles the bulk of the island's citrus crops received 130,000 field crates of grapefruit which it converted into 112,000 cartons of juice (each carton contains 24 tins of 20 fluid ounces each). The amount of grapefruit marketed this year outside the Cooperative is unofficially reported to be 30,000 field crates.

Grapefruit yields in Trinidad are based on a 5-year cycle, starting with moderate yields the first year of bearing, increasing to peak production in the third year, and waning in the fourth and fifth years. The 1943–44 season, which yielded 122,564 crates, was the fifth year in the cycle and therefore a normally low production period.

Orange production totaled 18,000 field crates, averaging 100 pounds to the crate, which is substantially the same as in 1944. The Cooperative used 6,000 field crates of oranges this year to make 2,537 cartons of blended juice, which was sold almost entirely to local wholesalers. The remaining 12,000 crates were sold locally and in neighboring West Indian islands.

The total lime crop will probably be 75,000 barrels (160 pounds to the barrel) as compared with 80,000 barrels produced in 1944.

The Government expects to have 100,000 budded citrus plants ready for growers in 1946 and following that an annual supply of 75,000 plants to meet increasing demands for grapefruit, orange, and lime stock.

Cuban Potato Production

Cuba consumes around 150,000,000 pounds of white potatoes annually, of which it normally produces a little more than two-thirds, the remainder being imported from the United States. Cuba also imports an average of about 23,000,000 pounds of seed potatoes, of which in 1944 two-thirds were from Canada and one-third from the United States.

The 1944–45 crop, harvested from December to May, was a good one with production estimated at roughly 130,000,000 pounds. Consumption of potatoes has increased as a result of increased purchasing power and scarcity of similar foods and imports in the late summer and fall will probably amount to between 40,000,000 and 50,000,000 pounds.

Fruit Production, Eire

Details of the number of fruit-bearing trees in Eire are not available inasmuch as the statistical records are compiled in terms of acres only. The area planted in fruit trees has increased steadily in recent years. In 1939 the area planted totaled 8,170 acres, whereas in 1944 about 10,941 acres were planted to fruit trees.

Increased production is attributed to the following: (*a*) Import restrictions on fruits of any kind which can be grown domestically and on fruit pulp for manufacturing purposes; (*b*) increased acreagee of fruit by manufacturers of jam to meet their own requirements both on their own farms and under contract with farmers; (*c*) the greater interest shown in taking care of orchards by spraying, the use of fertilizer, and thinning; and (*d*) the establishment of better marketing facilities, central packing agencies, and collecting depots, the introduction of standard packages, and the institution of the Apple Marketing Scheme by the Department of Agriculture.

The commercial production of apples, strawberries, gooseberries, raspberries, and black currants is encouraged by the various County Committees of Agriculture which subsidize the establishment of apple orchards and plots for small fruit in suitable areas under certain conditions. Plums and damsons are produced fairly extensively. There are few cherry orchards, and only limited quantities of pears are produced. Apricots are not cultivated, and peaches are grown in a small way and for private use only.

During recent years the production of fruit has been adversely affected by the inability to import suitable spraying equipment.

Sugars and Products

Cuban Sugar Crop

Reports from Habana indicate that the 1946 Cuban sugar crop has been seriously affected by the same drought which damaged the 1945 crop when about 900,000 short tons of sugar were lost, limiting this year's output to about 3,925,000 short tons of raw sugar.

Estimates of the size of 1946 sugar production vary. Some estimates indicate an output of less than 4,000,000 tons of sugar, while other observers believe that 4,250,000 tons would more fairly reflect current prospects.

Heavy plantings of cane were made last autumn and this spring, estimated at about 600,000 acres. This would be the largest new planting in more than 15 years and would compare with about 460,000 acres planted in the 1941–42 season. Under normal conditions, only about 300,000 to 350,000 acres of new plantings would be required to maintain acreage in sugar at the existing level. This year, many ratoon fields were so badly damaged by the drought that they had to be destroyed. Some new plantings died as a result of dry weather and others are so retarded they will not be available for harvest in 1946. The net increase in cane area for the 1946 crop therefore may amount to only 100,000 acres, or a total cane area of about 2,600,000 acres.

Swiss Apiculture

Switzerland's gross yield from apiculture in 1944 was valued at 15,400,000 francs, or more than four times the 3,600,000 francs realized in 1943. This large increase was not due to a greater number of beehives, of which there are about 330,000 in the country, but to the fact that in 1944 the bees were not affected by disease as they were in 1943. Very little honey, however, was marketed in 1944, because lack of sugar made it necessary to feed the honey back to the bees. The average honey yield per beehive in 1944 is estimated at 14 pounds, as compared with 4 pounds in 1943 and an average of about 11 pounds during the past 10 years.

Brazil's New Steel Plant Nears Completion

The Volta Redonda steel plant in Brazil, biggest steel-making enterprise in Latin America, is almost ready to begin production after overcoming many wartime obstacles in obtaining equipment and material, says a statement by the Office of Inter-American Affairs.

Rising on a site about 80 miles west of Rio de Janeiro and 230 miles northeast of Sao Paulo, Brazil's main industrial center, the Volta Redonda plant has progressed steadily toward completion during the war years.

A battery of 55 coke ovens, designed to produce 1,200 tons of coke daily, is awaiting coal. The coal supply, in turn, depends upon transportation arrangements.

A blast furnace, boiler house, and power house have been completed. Three open-hearth furnaces, which will convert into steel the pig iron produced in the blast furnace, are scheduled to be ready in September. A blooming mill to roll steel ingots into plate is scheduled for operation in November.

The rail and structural-steel mill is scheduled for operation early in 1946 and the sheet-metal and tin mill about the middle of 1946.

Equipment for recovering valuable byproducts, such as benzol and ammonia, from the coking process is installed. These byproducts will be important to Brazil's growing industry, which now depends almost entirely on imported materials. Volta Redonda will set the pace itself in utilizing byproducts, by using gas generated in the coking ovens for the blast furnace and other purposes, including a "standby" electric generating plant.

About half of the estimated $90,000,000 cost of Volta Redonda, with its auxiliary coal mines and other facilities, was provided by a $45,000,000 loan from the Export-Import Bank of Washington. Remainder of the cost was supplied largely by the Brazilian Government, with a small interest held by the Brazilian public.

Approximately 150,000 tons of equipment were ordered from the United States to build the plant, of which about 130,000 tons have been delivered. For technical advice and assistance, 50 or more United States engineers and technicians at a time have labored at Volta Redonda with their Brazilian colleagues.

Iron and Steel

Production in Ontario, Canada

Production at the Steep Rock iron ore mine in Ontario, Canada, reached 1,000 short tons daily early in June and was expected to be even higher before the end of the month. Ultimately annual production equal to 2,000,000 tons of iron ore is anticipated. The mine did not go into production until late in 1944, but from then until the close of the shipping season it had an output of 16,551 short tons. The ore is high grade and most, if not all, is being exported to the United States.

Despite the widespread occurrence of iron ore in Ontario, the only other iron ore mine in the Province is the Helen mine at Michipicoten, whose production was 536,701 short tons in 1944. Although shipments from either mine have not been very large they represent the bulk of iron ore moved from Canadian mines and indicate an increase of more than 400 percent from the 1939 figures.

The pig iron and primary iron and steel manufacturing industries of Ontario also had an important growth during the war. From an output of 556,186 short tons in 1939 the production of pig iron was increased to an estimated 1,412,546 short tons in 1943. Figures on the Ontario production tonnage are not available, but the value of production in the primary iron and steel industries in the Province increased from $48,925,939 in 1939 to $159,789,376 in 1943.

There are 3 Ontario firms operating blast furnaces and 27 engaged in primary iron and steel manufacture. The production of pig iron in Ontario represents approximately 80 percent of the total Canadian output, and that of the primary iron and steel industries, 71 percent of total Canadian production.

A considerable amount of the raw material used by the various Ontario companies comes from the United States, iron ore and scrap as well as approximately 1,200,000 tons of steel being imported annually.

All of the companies have experienced production shifts during the war. The number of alloys being produced has increased and the sizes and shapes of manufactured articles have changed. The elimination of peacetime lines, meanwhile, has permitted more concentration and therefore greater efficiency in the production of the grades singled out for manufacture. Considering the skill and experience thus developed, the primary iron and steel industry probably will be able to turn out a wider variety as well as a larger volume of products after reconversion than before 1940. No information is available concerning the expansion of production facilities, but employment has nearly tripled and the value of production has quadrupled.

Large quantities of bars, sheets, and structural forms have been exported, principally to South America, Australia, India, South Africa, and Russia during the war. Primary producers anticipate that the greater part of postwar exports will be in the form of manufactured products, especially railway equipment and agricultural machinery, but special steels and alloys will probably be exported in unmanufactured form.

Italian Steel Industry

The steel plants in northern Italy suffered relatively little war damage and in May production was being held up chiefly because of the lack of sufficient raw materials, according to the Italian press. In 1943, Italy produced 1,750,000 quintals of iron and steel products a month. At the end of 1943, however, the Germans began interfering with production and requisitioning manufactured articles. As a result the output gradually dropped until it was only about 200,000 quintals during the first 4 months of 1945. Estimates place the monthly needs of the steel industry at approximately 500,000 quintals of unworked steel and about 250,000 quintals of coal. Electric furnaces are used for the most part.

The plants of the heavy steel industry in the Liguria region, which were only slightly damaged during the war, are said to have reserves of iron ore, steel, and cast iron. The amount of their production will be dependent on whether they are able to obtain adequate supplies of coal.

Rehabilitation of French Machine-Tool Industry

The French Ministry of Industrial Production, through its Mechanical Industries Division, has prepared a 5-year plan for the rehabilitation of the French machine-tool industry, to provide ultimately modern equipment and installations for industry. The principal points of the plan are reported to be: (1) The maintenance of the total usable stock of machine tools at the prewar figure of 590,000 units; (2) the replacement of 265,000 of the oldest units by new machines at a cost, according to present estimates, of about 70,000,000,000 francs (about 125,000 units would be imported from Great Britain, the United States, and Sweden, or recovered from Germany); (3) gradual reduction over the 5-year period of the average age of machine tools from 25 to 12 years.

This process, involving the replenishment of nearly half the supply of machine tools by modern high-output units, would make possible considerable increase in production capacity of the French machine-tool industry.

One of the principal features of the plan is the construction of more than 120,000 machines in France, in series, according to the following schedule: 16,000 units the first year; 21,000 units the second; 25,000 units the third; 30,000 the fourth; and 30,000 the fifth. Estimated expenditures for execution of this portion of the program would be 30,000,000,000 francs.

Although the project is called a 5-year plan, obviously it will extend considerably over that length of time. Implementation of the program has been placed in the hands of the Syndicat de Constructeurs de Machines Outils. Each member firm has been assigned a schedule defining the types and quantities of machines to be built. There are only about 50 of these firms, but small and medium-sized firms may contribute to the execution of the plan by building machines on a cooperative basis. An allotment of 20,000 machines to be constructed by new companies has been provided for.

The Ministry envisages the grouping of the principal French manufacturers of machine tools into a new combined company, in which the Government would have the maximum share of capital, charged with the production of certain types of machine tools heretofore imported. The organization could acquire patents covering machines already perfected and in production.

Leather and Related Products

Establishment of Shoe Factory in Regina, Canada

Announcement was made in Canada in June of a plan to establish a shoe factory in Regina, Province of Saskatchewan, Canada. The factory will have a production capacity of 1,000 pairs of shoes daily, and was expected to be in operation by the end of August. Equipment will be obtained from a shoe company in Winnipeg.

Although only footwear will be produced at first, it is planned to manufacture leather jackets and other types of leather goods as soon as machinery becomes available. The plan also calls for the ultimate establishment of a tannery.

Footwear Production, Dominican Republic

There are 4 shoe factories and 80 small footwear-producing shops in operation in Ciudad Trujillo, Dominican Republic, according to recent estimates. In addition, about 400 such shops are operating in other localities in the Republic.

French Tanning Industry

Production of tanning extracts in France amounted to 639 tons during March according to the foreign press. It was hoped that the monthly output in April and May would increase to 970 tons.

During recent months Argentina has shipped 3,000 tons of extract to France, and it was expected that Turkey would supply 2,000 tons of valonia. There were some possibilities, also, that oak could be obtained from Sweden, chestnut from Italy, and sumac from Sicily.

Lumber and Products

Australian Timber Consumption

Before the war Australia was consuming timber at the rate of approximately 1,000,000,000 board feet annually, 65 per-

cent from domestic production, the remainder being imported, principally from Canada, according to a foreign lumber journal. No marked decrease in consumption has occurred during the war years, since military demands have almost offset decreases in civilian construction, and Australian forests have been heavily cut because of the difficulty of obtaining imported lumber.

Almost 19,000,000 acres have been reserved for forests, but this amount does not produce sufficient lumber to meet domestic needs. Timber suitable for cutting is believed to have been considerably reduced and larger quantities will have to be imported in the future, estimates of forestry officials indicate.

Brazilian Pencil Production

Wood-cased pencils made in Brazil have gained a wide market in Latin America during the war. Exports increased from 12,287 kilograms valued at 261,526 cruzeiros in 1939 to 311,413 kilograms valued at 9,516,837 cruzeiros in 1944. The largest portion of the exports went to Argentina which took 191,804 kilograms valued at 6,265,213 cruzeiros in 1944. Peru, with imports of 37,006 kilograms valued at 1,002,741 cruzeiros afforded the second-best market in 1944.

It is understood that practically all of the wood-cased pencils exported from Brazil are made from Parana pine which does not produce as good a grade of product as cedar wood, and it is doubtful if the new markets can be maintained when competition is again keen. Imports of cedar pencil slats from the United States have been limited and irregular. The pencils into which they were manufactured are thought to have been absorbed by the domestic market.

Imports of wood-cased pencils into Brazil have fluctuated between a high of 10,441 kilograms valued at 87,038 cruzeiros in 1941 and a low of 1,340 kilograms valued at 183,514 cruzeiros in 1943. Imports in 1937 amounted to 3,576 kilograms, value at 419,054 cruzeiros, and were therefore only slightly above 1944 imports of 3,391 kilograms valued at 379,362 cruzeiros.

Restrictions on Use of Douglas Fir Logs Removed in Canada

Restrictions on the use of high grade peeler-type Douglas fir logs from the Vancouver forest district have been removed, according to a Canadian lumber publication. Sawmills can now buy high grade logs on the same basis as plywood companies, which should make available increased quantities of lumber of a type more suitable for interior construction work.

Because of the mounting demand for plywood for military purposes, as well as for repairs in Britain, the use of peeler-type logs was restricted and they were diverted almost entirely to plywood plants after the latter part of 1942.

Forest Production, British Columbia, Canada

The $28,000,000 increase in the total value of forest production in British Columbia, Canada, in 1944, a gain of 24 percent over the preceding year, can be attributed almost entirely to higher sales prices rather than to greater output, says a Canadian lumber publication.

Total production of all forest products in the Province in 1944, measured in board feet, amounting to 3,096,333,000 feet, an increase of one-fourth of 1 percent over 1943.

Pit-Prop Cutting Program, British Columbia, Canada

The British Columbia, Canada, pit-prop cutting program for the British Ministry of Supply has been slow in getting under way, despite the need for completing the bulk of the work by fall, says a Canadian lumber magazine.

More than 20 contracts covering over 80,000 cords of pit props have been placed in almost all areas in British Columbia within 20 miles of a railroad. Some of the props are shipped by ocean from Vancouver and New Westminster and others are sent by rail to the Atlantic seaboard.

Props are needed to supply the British market until June 1946, when it is expected that supplies will again be available from former European sources.

Shingle Exports From British Columbia, Canada, to U. S.

Exports of red cedar shingles to the United States from British Columbia, Canada, increased substantially in June over those for the preceding month, but were smaller than in June 1944.

Although the percentage of red cedar shingle production which may be shipped to the United States has been increased from 60 to 70 percent, shipments have declined because of shortages of labor and of logs and the conversion of cedar logs to lumber rather than shingles. Present production is about 50 percent of mill capacity.

Postwar Production Plans, China

Lumber was formerly imported into China in large quantities, but in the postwar period the industry will attempt to meet consumption demands to a larger extent from domestic resources, it is reported.

It is not planned to promote the export of lumber to any appreciable extent, and the annual maximum will be limited to CN$5,000,000.

Exports From the Gold Coast

A recent decided trend toward greater development of sawmilling in the Gold Coast is evident from the rise in exports of sawn lumber. A number of new mills are in operation or will be erected.

Exports of sawn lumber increased from 38,356 cubic feet in 1942 to 125,221 in 1944; exports of squared-off logs rose from 1,503,225 cubic feet to 2,518,467.

Kenya's Cedar Pencil-Slat Industry

Kenya's cedar pencil-slat industry has continued active during the war, although production has necessarily been curtailed because of transportation difficulties, and the diversion of labor to other branches of the lumber trade.

Of the three mills producing cedar slats, the largest is devoted exclusively to this commodity; exports amounted to 18,696 cubic feet in 1943, the latest year for which statistics are available.

The colony's forests are estimated to cover 3,000,000 acres, of which more than one-half is cedar. That grown at high altitudes is most suitable for pencil slats, as the trees are straighter, have fewer knots, and are not so hard as those in the lowlands.

The Forestry Department is endeavoring to interest more mills in the use of cedar as a general-purpose wood. It was formerly widely utilized for furniture and construction, but because the Kenya species splits rather easily, carpenters and woodworkers have for some time preferred the domestic wood mvule.

Exports From Paraguay

Most of Paraguay's lumber exports are in the form of logs and beams, with Argentina the principal market, particularly for these classes. Lumber exports totaled 6,864 metric tons in 1944 and represented 12.5 percent of the total value of all exports. Since lumber is shipped in its cheapest form, its value to the country is reduced and the benefit that would result from further processing is not obtained.

Demand for domestic lumber increased markedly in 1944 and because of the relatively low supply prices rose also.

Swedish Sawmilling Company Plans Expansion

Korsnas Sagverks A/B., Sweden, who operate sawmills at Gefle, Korsnas, and Vansbro, have made application to expand and modernize the mill at Gefle so that all production can be centered there, according to a European lumber journal.

It is planned to complete the changeover by the end of 1946, at an estimated cost of 7,000,000 crowns. The new mill would have an annual capacity of 30,000 standards (1 standard = 1,980 board feet).

Swiss Foreign Trade

Switzerland's imports of lumber decreased almost 50 percent in value in 1944 from those of the preceding year, according to Swiss customs statistics. Amounts are shown as 32,356,265 and 16,985,530 Swiss francs, respectively.

Exports of lumber increased in value from 5,168,516 francs in 1943 to 6,337,066 in 1944.

Pitwood Supplies, South Wales, U. K.

The outlook for supplies of pitwood in south Wales is favorable; stocks are moderately satisfactory and additional imports are likely to be available soon. Home-grown deliveries are being received steadily and are about equal to current consumption, according to the British press.

Imports of pitwood are not expected to be resumed on a large scale for some time. North America is expected to be an important source in the future.

Machinery, Other Than Electrical

Cigarette Factory, Dominican Republic, to Install Additional Machinery

Operators of the one cigarette factory in the Dominican Republic have an-

nounced their intention of installing additional machinery when it becomes available. Equipment now in use, including seven cigarette-making machines two packing machines, and two driers, all of United States make, is said to be in reasonably good condition, replacement parts having been obtained during the war period.

Iranian Market for Insecticide Machinery

Although at present there is no evident demand for insecticide machinery in Iran, officials of the Ministry of Agriculture have expressed a desire to reequip the Karaj plant with United States machinery in the future. No insecticide machinery is manufactured in Iran.

Medicinals and Crude Drugs

Greek Pharmaceutical Industry

Many of the old-line pharmaceutical and drug importers in Greece have either gone out of business or have sustained such heavy losses during the German occupation and the civil war that considerable time will probably elapse before complete rehabilitation can occur. The local chemical and pharmaceutical industry is struggling hard to return to normal, but the transition is bound to be difficult.

No detailed trade statistics for the pharmaceutical industry are available, but according to estimates of the Ministry of National Economy, output of the few plants that had resumed business by May 1945 was only 35 percent of the 1939 figure for the corresponding period. No details are obtainable regarding types and quantity of products in the various branches in this industry. Because of the difficulties involved in importing raw materials from abroad, most of the establishments which have resumed production are using the small stocks left over since the war or what was imported from Germany and Italy during the occupation.

Since the Germans withdrew from Greece in October 1944, both foreign and domestic trade in proprietary medicines, biologicals, and medicinal chemicals has been generally inactive. The small quantities produced locally go directly from the factory to the retailer. Shipping difficulties and civilian and military needs in producing countries are responsible for the slow recovery in import trade. Throughout the period of occupation almost all basic medicines and biologicals required by the public were supplied to the principal distributing points by the Swiss Red Cross delegation in Greece, acting on behalf of the International Red Cross. Later, UNRRA and the Greek War Relief Association took over this distribution, but neither in quantity nor variety do the amounts of these imports appear to be sufficient to meet the country's needs.

During the occupation German and Italian merchants made an organized effort to establish their brands of pharmaceuticals and proprietary medicines on the Greek market. The Greek authorities were forced to relax the regulations governing the sale and distribution of patent medicines which had been in operation in Greece since 1935. Privileged treatment for Italian proprietary medicines was established by a decree in November 1941 and was extended to cover the same commodities of German origin by a decree of March 1942. An emergency law of March 9, 1945, declared these decrees null and void.

As a result of the policy of the enemy during the occupation Italy and Germany were the sole suppliers of pharmaceuticals and proprietary medicines in 1942 and 1943. Total imports for the years 1938, 1942, and 1943 are shown in the following table:

[In kilograms]

Item	1938	1942	1943
Raw materials (pharmaceutical)	104,000	143,000	101,000
Proprietary medicines	78,000	90,000	124,000

Figures for 1944 are not available.

Some of the domestic manufacturers who kept their output down during the occupation have been able in recent months to turn to good use the pharmaceutical raw materials imported in 1942 and 1943 to meet the needs of the trade. With the gradual restoration of normal economic life in Greece, the regular administrative machinery is being restored. All prewar regulations concerning the importation, licensing, and distribution of proprietary medicines and allied products, together with questions dealing with patents, trade-marks, and price controls are now back in operation.

The total collapse of Germany, which for many years enjoyed the largest share of the Greek phramaceutical market, has turned the attention of Greek importers to the United States as the principal source of supplies.

Peruvian Imports

Peruvian imports of pharmaceuticals during the first quarter of 1945 were valued at 1,971,000 soles compared with a value of 2,908,000 soles for imports of these commodities during the corresponding period in 1944.

Motion Pictures and Equipment

Films Registered in U. K.

Both foreign-produced motion-picture films and British-produced short films registered in the United Kingdom during the year ended March 31, 1945, increased in number and footage over those registered in the year ended March 31, 1944. However, long films produced in Great Britain and registered during the year 1944–45 declined slightly in both number and footage.

Registration figures for domestic and foreign-made films during the 2 years are as follows:

Type of film	Year ended March 31, 1944		Year ended March 31, 1945	
	Number of films	Footage	Number of films	Footage
British films:				
Long	70	460,280	67	446,798
Short	128	156,591	157	209,460
Foreign films:				
Long	376	2,580,224	379	2,675,036
Short	339	349,093	354	355,096

Nonmetallic Minerals

New Gypsum Plant, Calgary, Canada

Work has begun on the construction of a gypsum plant in Calgary, Alberta Province, Canada, according to the British press. When completed, the plant will employ about 50 people in the making of a wide variety of gypsum products from raw materials obtained from the company's mines near Cranbrook, British Columbia. Estimated cost of the installations is $250,000.

Cement Shortage in Concepcion, Chile, Area

A serious shortage of cement exists in the vicinity of Concepcion, Chile, where demand has been accumulating since the 1938 earthquake. Substantial importations of cement have been made, but scarcity of shipping facilities within the country has not permitted delivery of desired quotas to the Concepcion area.

Oils, Fats, and Oilseeds

Ecuadoran Oilseed Trade

Ecuador's imports and exports of oleaginous seeds from 1939 through 1943 are shown in the following table:

[In gross kilograms]

Year	Exports	Imports
1939	47	2
1940	50,379	1
1941	234,616	2
1942	702,200	----------
1943	231,465	----------

Paraguayan Production and Export of Oils

The production of vegetable oils in Paraguay in 1944 increased by 14 percent over 1943. In general, all types of oils showed increases except coconut oil and tung. The decrease in coconut-oil output, according to the factories, was due to the impairment of the crop by the intense drought.

During 1944, about 300 metric tons of sunflower seed were produced, but it was not processed into oil. For the first time, there was a production of flaxseed oil (9 metric tons) in the Encarnacion region.

All the cottonseed and peanut oil and half of the coconut and palm oil was

for home consumption, whereas 18 percent of the castor oil was utilized by the home market, the remainder going into export.

Foreign market price trends during 1944 were favorable for coconut and palm oil, and to a lesser degree for tung. On the other hand, price quotations for castor oil dropped sharply in the River Plate and New York markets.

Production of oils and their raw materials is shown in the following table:

[In metric tons]

Item	1943		1944	
	Raw materials	Oils	Raw materials	Oils
Cottonseed	14,507	1,628	24,694	2,949
Peanuts	3,640	736	3,284	775
Coconut kernel	3,526	[1] 2,006	2,376	[1] 1,244
Coconut pulp	2,359	[2] 399	2,478	[2] 431
Castor bean	936	374	1,353	489
Tung	188	47	157	45
Flaxseed			41	9
Total	25,156	5,190	34,383	5,942

[1] The extracted oil is known commercially as coconut oil.

[2] The extracted oil is known commercially as palm oil.

Vegetable-oil exports in 1943 and 1944 are shown in the table following:

[In metric tons]

Item	1943	1944
Coconut oil (both coconut and palm)	1,514	1,099
Castor oil	357	403
Tung	15	22
Total	1,886	1,524

Paper and Related Products

Czechoslovak Pulp and Paper Industry

A recent report from Prague states that the pulp and paper mills are among the industries in condition to resume normal production immediately.

This industry in 1941 comprised five pulp mills and five paper mills having an annual capacity of 187,000 short tons of chemical pulp, 22,000 tons of mechanical pulp, and 72,000 tons of paper, principally wrapping paper and newsprint. Yearly exports of chemical pulp approximateed 143,000 tons, while paper exports were about 28,000 tons.

The report cited above is believed to refer to the physical condition of the mills. It is reported that all trees over 40 years old have been cut and that large quantities of wood are being consumed for purposes other than pulp making. Although the railroads are in running condition, coal and coke are in extremely short supply. All this would indicate that the pulp and paper mills are in a precarious position as far as raw materials, fuel, and transportation are concerned.

Wood-Pulp Imports Into U. S.

Imports of wood pulp into the United States from Sweden totaled 23,715 short tons during the week ended August 10, 1945.

The aggregate quantity imported from oversea sources since VE-Day through August 10, 1945, amounts to 63,766 short tons, of which about 55 percent was unbleached sulfate wood pulp (kraft) and about 37 percent was unbleached sulfite wood pulp. The remaining 8 percent was of bleached sulfite and bleached sulfate grades.

Entries of wood pulp into the United States from Sweden, by customs districts, for the week ended August 10, 1945, are shown in the following table:

Customs district and item	Quantity	Value
Maine and New Hampshire:	*Short tons*	
Sulfate, unbleached (kraft pulp)	[1] 1,102	[1] $72,134
New York:		
Sulfite, unbleached	6,971	427,815
Sulfite, bleached, other than rayon and special chemical grades	165	12,706
Sulfate, unbleached (kraft pulp)	11,023	673,519
Baltimore:		
Sulfite, unbleached	1,568	95,844
Sulfite, bleached, other than rayon and special chemical grades	440	30,883
Sulfate, unbleached (kraft pulp)	[2] 2,446	141,524
Total	23,715	1,454,225

[1] Represents arrivals during the week ended August 3, for which import entries were filed during the week ended August 10.

[2] Represents in part arrivals during the week ended July 27, for which import entries were filed during the week ended August 10.

Cumulative imports of wood pulp from VE-Day through August 10, 1945, were as follows:

	Short tons
Sulfite, unbleached	23,793
Sulfate, unbleached (kraft pulp)	35,110
Sulfite, bleached, other than rayon and chemical grades	2,510
Sulfite, bleached, rayon and special chemical grades	2,230
Sulfate, bleached	123
Total	63,766

Outlook for Establishment of a Pulp Industry in Surinam

Sufficient raw material appears available to Surinam to justify further investigation into the possibility of establishing a domestic pulp industry. More than 200 varieties of trees and shrubs in the colony have been classified and there are doubtless many others.

Possentrie, Baboentrie, and Wallaba are considered particularly suitable for pulp because of their occurrence in large stands, their location relatively near water transportation, and other favorable factors. Possentrie, which is found in almost pure stands, is probably the outstanding wood for pulp production. If logged on a large scale, costs would be about $0.347 per cubic foot, compared with $0.738 for yellow pine in the United States. Baboentrie is well distributed over the northern part of Surinam and has been sold to the United States for $15 per 1,000 board feet. Several species of Wallaba are found, fairly well distributed, and prices have average $4 to $6 per ton when exported as firewood.

Since no wood for pulp manufacture is believed to have been shipped from Surinam, considerable pioneer work would be involved. It has been suggested that pulp be manufactured locally, but despite the saving in shipping expenses other factors would be unfavorable. For example, the only needed materials available are timber and wood for fuel.

Also, a pulp mill would require 40,000 gallons of fresh water per hour for processing, and water on the lower reaches of the rivers is often salty and sometimes contains large amounts of silt. If the mill were located high enough to escape these features, it might be too far from wood supplies. A shortage of skilled labor also exists.

It is believed that the establishment of a pulp industry would be welcomed and that any assistance possible would be furnished to an accredited company undertaking exploitation of domestic woods for pulp production.

Argentine Production and Imports

Production of paper in Argentina has increased to a point where the domestic mills are able to supply the local demand for paper for everyday uses. This level of production has been reached despite reduced imports of certain raw materials, notably sulfite and sulfate wood pulp and machinery parts. It has been estimated that domestic production has increased about 30 percent during the 1939–43 period—or from 115,000 tons to 150,000 tons.

Notwithstanding this increase, the Argentine industry is not yet able to meet the domestic demand for good quality newsprint, kraft paper, cigarette paper, and cellophane. In addition to these four types, considerable quantities of fine papers and specialty papers also are imported.

Official Argentine import statistics for 1944 are not yet available. For purposes of comparison, the following table shows import figures for 1943 and 1944, compiled from ships' manifests. They are not to be taken for official statistics.

[In metric tons]

Item and country of origin	1943	1944
Newsprint	112,229	124,701
Sweden	52,064	56,303
United States	59,134	68,394
Other countries	1,031	4
Book paper	2,825	8,542
Sweden	1,720	8,474
United States	1,051	
United Kingdom	54	47
Spain		21
Cover paper and surface coated paper	2,633	6,705
Sweden	1,214	5,795
United States	748	547
United Kingdom	666	346
Other countries	5	17
Wrapping paper	5,662	12,860
Greasproof and cellophane	941	1,197
United States	838	553
United Kingdom	53	37
Sweden	50	607
Other	4,721	11,663
Sweden	4,300	11,565
United States	368	
Brazil		85
Other countries	53	13
Paperboard	5,189	10,731
Sweden	4,890	10,667
Other countries	299	64
Building paper and wallboard	2,003	4,004
Sweden	1,278	3,332
Other countries	725	672
Total	130,541	167,543

Rubber and Products

Exports From Madagascar

Rubber exports from Madagascar during the first 4 months of 1945 amounted to 1,471 metric quintals [1 metric quintal=200.46 pounds] valued at 3,757,000 francs, according to customhouse reports.

Balata Production in Surinam

Balata is obtained in Surinam by tapping the bulletwood trees which are found in large numbers in its forests. The trees are either cut down and bled or tapped and left for a second tapping. Few survive the second tapping, and some are killed by the first. Unless some attempt is soon made at replanting, it appears to be only a matter of time until the balata industry of Surinam is doomed.

In the past balata has been largely used in insulation material for undersea cables. When wireless communication became general, the balata industry received a set-back from which it has never recovered. Its use at present is confined to the manufacture of belting, golf ball, and certain military items.

Since the beginning of the present war, the Rubber Development Corporation has been contracting through dealers in the United States for the entire output of Surinam balata, allowing no shipments to private persons. The price was pegged at $0.55 per pound, delivered in the United States. When at the end of 1944 the Rubber Development Corporation let it be known that it would purchase no more balata, import restrictions were removed, and the import business fell again to private persons.

The highest record production of balata in Surinam was in 1913, when 1,180 tons were produced and shipped from the colony. This was the production of about 6,000 men. At present not more than 300 men are in the field, and the output in 1945 is expected to fall, possibly to 150 tons, which is considerably below that of last year. Production in the past 5 years has been as follows: 1940, 192 tons; 1941, 275 tons; 1942, 377 tons; 1943, 308 tons; and 1944, 194 tons.

In normal times about one-half of the output was shipped to England, and if the price in the United States is not satisfactory, this year's crop may be sent to the same market.

Special Tires Developed in U. K.

Several specialized tires were developed by a British rubber manufacturer and used successfully during the war, according to British press reports. One was a bulletproof tire, the other a sand-track tire. The former could be run for a considerable distance even after receiving a point-blank shot, it is stated, while the latter proved particularly effective for use in the desert.

Special Products

Australian Pottery Industry

The value of production of the pottery industry in Australia during the fiscal year 1942–43, the latest period for which statistics are available, was as follows: Agricultural pipes (number, 1,638,404, £A13,084; stoneware, pipes and fittings, £A381,169; porcelain insulators and electrical fittings, £A281,975; other porcelain ware, £A3,130; sanitary earthenware and enameled fireclay for building purposes, including sanitary wall fittings, £A164,-898; domestic earthenware and stoneware, £A139,339; other earthenware, stoneware, and enameled fireclay, £A97,-495. The total value of tiles, pipes, and pottery made during the year 1942–43 was £A1,213,424.

In normal times a great deal of pottery was imported, mainly from the United Kingdom and Japan, pottery from the former competing with the domestic product on a quality basis and those from the latter on a price and in some instances on a quality basis. The local product supplies the demand for stoneware in general and for heavy types of earthenware. There is no production of chinaware in Australia.

For the last 2 prewar years the value of Australia's production of tiles, pipes, and pottery averaged about $6,500,000 per year, while imports averaged approximately $2,800,000 annually. Upon this basis it is calculated that about 30 percent of requirements must be imported. Imports in 1941–42 were valued at £823,289, and in 1943–44 at £391,373.

United States pottery products entering the Australian market have consisted chiefly of porcelain insulators, prewar exports of which ran about $25,000 per year. Since 1940 the greater part of imports from the United States have been under lend-lease or by order from the Australian Government.

Total imports of all pottery products from the United States in 1943–44 were valued at £30,457. Some interest in porcelain tableware, particularly for hotels, from the United States has been expressed among Australian importers.

Australia's principal export market for pottery has been New Zealand, with small amounts going during the war to New Caledonia, Ceylon, and the Netherlands East Indies. In 1937–38 exports totaled £A63,174 and in 1943–44 amounted to £A14,453.

In general, in the Australian pottery industry, grinding machines are hand operated. Puggers are of the hand type and automatic jiggers are not used. There are very few lining and decorating machines or conveyor systems, and kilns are generally more than 10 years old and use coal as fuel.

There are seven manufacturers of pottery machinery in Australia. The leading firm makes all types for industrial pottery but none for producing sanitary pottery or earthenware and kitchen articles. Opinion is divided among pottery manufacturers as to whether there exists a postwar market for machinery from the United States, although some jiggers, porcelain-making machinery, machines for making plastic bricks, and modern machinery for making pipe might find a small market.

France to Import Books From U. K.

The Government of France has authorized the controlled importation of books from Great Britain, according to the foreign press. A British firm has been appointed to act as agent between French and British authorities in all matters pertaining to book imports.

Match Production, Nicaragua

The index of match production in Nicaragua rose 52 percent in the first quarter of 1945 over that for the corresponding period of 1944.

Using 1939 as a base year, the index for 1944 was 217.3.

Pottery Production, Palestine

Although pottery making is an ancient industry in Palestine and Trans-Jordan, the manufacture of porcelain and chinaware was begun only within the last few years. Prior to the war several firms were using modern methods in the manufacture of pottery, but their output was confined to art and ornamental pottery, since imported earthenware table and kitchen articles, chiefly from Germany, the United Kingdom, Czechoslovakia, Hungary, and Japan, could be purchased cheaply on the local market.

As the war continued, however, imports were greatly cut, falling from £36,-559 in 1938 to £11,385 in 1942 and £540 in 1943. With most of the sources of supply thus closed the domestic industry shifted to the making of earthenware table and kitchen articles and underwent considerable expansion. More workers were employed and the kiln capacity and output greatly increased. In a space of 2 years, kiln capacity was enlarged from 50 cubic meters to 120 cubic meters and the value of production jumped to £12,000 monthly.

The largest plant in Palestine turning out such articles as cups and saucers, tea sets, dishes, and milk jugs has three muffle kilns, each of 2 cubic meters capacity and makes eight bakings totaling approximately 10 tons a month. About half of its clay preparation machinery and artificial dryers were imported from Germany and the other half designed and built locally from foreign-made models. This company expects shortly to install an electric kiln for glazing which will increase its output by approximately 20 cubic meters monthly.

One of the latest developments in the pottery industry in Palestine is the completion at Haifa Bay, Haifa, of a plant for the production of sanitary ware. The plant is at present equipped with two muffle kilns of 12 cubic meters in capacity, but expects to construct several additional kilns later. The original output, intended primarily for the domestic market, will consist of toilets, wash bowls, and pottery tiles. All machinery for the preparation, making, drying, and glazing of the clay was locally designed and manufactured.

Of the basic materials used by the industry, feldspar is available within the immediate area, and ball clay (white burning) is imported from Trans-Jordan and to a small extent from the Lebanon

region. However, before the war local manufacturers imported clays. Some of the coloring materials are available in the country, but many, including oxides, china clay, red lead, soda ash, and other chemicals for glazing are imported, mainly from the United Kingdom. Fuel oil imported by pipe line from Iraq is used for firing the kilns.

There is still no production in Palestine or Trans-Jordan of vitrified china table or kitchenware.

Silverware Exports From Peru

Exports of silverware from Peru in 1944 amounted to 13,698 kilograms valued at 3,697,445 soles, compared with 2,749 kilograms valued at 187,770 soles in 1941. Domestic demand for the domestic product was also fairly large as a result of the elimination of European and other sources of supply.

Newspaper Distribution in Manila, Philippine Islands

Approximately 30 newspapers and periodicals are published in Manila, Philippine Islands. The demand for newspapers always exceeds the supply, and the chief problem of publishers is to obtain printing facilities and sufficient supplies of paper and ink.

Of the 18 daily newspapers available as advertising media, 7 are in English, 9 in Chinese, and 2 in Tagalog. Only 6 of the Chinese-language papers have a relatively important circulation and are published regularly. Three of the 7 English-language papers have Sunday editions. In addition to the daily papers, the following are published: 1 in Spanish 3 times weekly; 2 in English, weekly; 1 in Tagalog, weekly; and 1 in English, monthly. As soon as supplies of paper and ink ease, two of the publishers of daily papers plan to issue monthly magazines. The three publications which do not accept advertising are not included in the above.

Most of the publications have been started since the liberation of Manila. A few started as mimeographed guerrilla sheets toward the end of the Japanese occupation. Only two Chinese-language daily newspapers and one Tagalog-language weekly were published before the war.

Subscriptions are not accepted in most cases as the publishers find it simpler and more economical to sell through newsboys and newsstands. Distribution outside of Manila is negligible because of transportation difficulties. Although a number of papers have applied to the Bureau of Posts for second-class mailing privileges, the Bureau has been unable, so far, to accept second-class mail.

Advertising has been limited chiefly to night clubs, restaurants and a few "buy-sell" businesses. Since there is no importing, aside from limited amounts of foodstuffs and a few other necessities brought in by the Army, there has been no advertising of foreign products. Advertising of domestic products is very limited because few domestic industries have been able to resume production.

The approximate circulation of the seven daily English-language newspapers ranges from 5,000 to 12,000 copies and their advertising rates from $2.50 to $5 per column inch. Although two of the newspapers charge $5 per column inch, the circulation of one is 10,000 copies and the other, 5,000 copies. The two papers having a circulation of 12,000 each charge $3.50 per column inch for advertising.

Two of the six daily Chinese-language papers have a circulation of 4,000 each; advertising rates are $4 for one and $5 for the other, per column inch. The circulation of the four others varies from 2,000 to 3,500 each, and their advertising rates are from $2 to $2.50 per column inch.

The circulation of the two daily Tagalog-language newspapers is 4,000 and 6,000 each, and their advertising rates are $2.25 and $2.50 respectively.

One of the weekly English-language newspapers published its first issue on May 27, 1945, with 10,000 copies, and this is expected to increase to 20,000. The advertising rate for this publication is $10 per column inch. The other English-language weekly has a circulation of 4,000 and charges $5 per column inch for advertising space.

Books Exported From Spain to U. S.

Exports of books in Spanish to the United States from the Provinces of Avila, Ciudad Real, Cuenca, Guadaljara, Madrid, Salamanca, Segovia, Soria, Toledo, and Valladolid, Spain, during the first 5 months of 1945 totaled 572 pounds, and were valued at $1,442.

Textiles and Related Products

Imports Into Haiti

Textile imports into Haiti in the first quarter of 1945 amounted to only 532 metric tons valued at 4,603,000 gourdes as compared with 1,086 tons valued at 9,633,000 gourdes in the corresponding period of 1944. This reduction, however, is said to be the result of shortages of supply in the United States rather than any hesitancy on the part of importers to make purchases.

Cotton and Products

Exports From Brazil

In March 1945 Brazil exported 1,796 metric tons of cotton broad-woven goods, valued at 98,688,159 cruzeiros compared with 2,051 metric tons in January and 788 metric tons in February.

March exports were composed of 214,055 kilograms of bleached cotton piece goods, valued at 15,193,123 cruzeiros; 459,803 kilograms of unbleached piece goods, valued at 15,076,424 cruzeiros; 429,362 kilograms of printed fabrics, valued at 31,346,505 cruzeiros; 589,207 kilograms of dyed fabrics, valued at 33,659,232 cruzeiros; 1,092 kilograms of cotton plush, cotton velvet, and similar items, valued at 81,477 cruzeiros; 8,183 kilograms of fabrics of cotton and silk mixture, valued at 447,042 cruzeiros; 82,132 kilograms of cotton duck, valued at 2,272,386 cruzeiros; and 12,204 kilograms of piece goods, not specified, valued at 611,970 cruzeiros.

Canadian Mill Consumption

According to the Cotton Institute of Canada, cotton bales opened by reporting mills in that country during the period March through May totaled 83,614 (478 pounds each), as compared with 88,650 during the corresponding period of 1944. In the years since 1938, highest openings for the comparable period were reported in 1942 (111,161 bales) and lowest in 1939 (53,243 bales).

Egyptian Exports

Exports of cotton from Egypt during May 1945, according to Egyptian trade sources, totaled 404,827 cantars, India and the United Kingdom taking about 45 percent and 44 percent, respectively. (1 cantar=99.049 pounds.) During the 9-month period, September 1, 1944, to May 31, 1945, cotton exports totaled 2,527,821 cantars, compared with 3,217,234 cantars for the corresponding period of 1943–1944. Domestic consumption of cotton for the same periods amounted to 731,270 cantars in 1944–1945 and 642,592 cantars in 1943–1944.

At the end of May, total supply aggregated 10,116,135 cantars, or 791,534 cantars less than was on hand at the end of May last year.

Production, Laguna, Mexico

Confirming previous estimates, the Mexican Department of Agriculture has now reported that the important cotton-growing district of Laguna produced 188,468 bales of cotton in 1944.

Swiss Cotton Situation

Switzerland is now permitted, under agreement with the United Nations, to import 6,000 metric tons of long-staple cotton annually and as much short-staple cotton as it can obtain. Lack of shipping and transit facilities throughout Europe and priority on foodstuffs, however, limit Switzerland in obtaining raw cotton. Authorities hope that cotton imports will soon average 1,000 metric tons monthly (raw cotton imports in 1938 averaged 2,370 metric tons monthly) and that by the end of 1945 the country will be importing about 50 percent of its normal prewar raw cotton supplies. Brazil and the United States have already sent some cotton to Switzerland. The cost of Switzerland's raw cotton imports has risen steeply since 1938, and spinning and weaving costs also have increased, so finished cotton goods will be expensive.

Woolen and cotton articles are rationed in Switzerland.

Peruvian Exports

Cotton stocks at Peruvian ports rose from 1,477,159 quintals of 101 pounds on May 10, 1945, to 1,501,518 quintals as of June 7, 1945. Most of these stocks already had been disposed of abroad and were awaiting shipment.

In April sales of cotton from the 1945 crop amounted to 47,355 quintals, according to the Peruvian Cotton Chamber. A total of 79,305 quintals (77,305 quintals of Tanguis and 2,000 quintals of Pima) of the 1945 crop was sold during the first 4 months of 1945, as compared with 128,768 quintals of the 1944 crop

during the corresponding period of last year. Total sales of 1944 cotton at the end of April 1945 aggregated 1,414,581 quintals (82.2 percent Tanguis and 15.9 percent Pima).

Exports of Peruvian cotton in April 1945 totaled 2,261 metric tons, compared with 1,033 tons in April 1944 and 2,221 tons in April 1943. The United Kingdom was the principal destination. In the first 4 months of 1945, exports of cotton from Peru aggregated 11,982 metric tons, compared with 8,515 in the corresponding period of 1944. Venezuela, which did not appear among the customers in the first 4 months of 1944, was the principal destination during the period January through April this year, taking 2,015 tons.

The controlled 1944–1945 cotton acreage totaled 131,801 hectares (1 hectare =2.471 acres), compared with 131,930 hectares in 1943–1944 and the base of 155,084 hectares in 1941–1942.

Deconcentration of Spinning Industry, U. K.

The cotton industry in the United Kingdom is hoping for deconcentration of its spinning section in the near future, states the foreign press. It is said that practically 50 percent of the spinning mills have been closed down since the Government's concentration plan was put into effect in 1941. When they open, the mills will be faced with the problem of finding sufficient labor, for even with the return of workers from contracting war industries the labor supply is expected to continue to be short.

Miscellaneous Fibers

Production, Brazil

A jute fiber crop of 10,000 metric tons is forecast for Brazil's Amazon Valley in 1945, an increase of about 13 percent over the 1944 crop estimate of 8,894 metric tons.

Consumption of domestic jute in the burlap mills of the country totaled 7,328 metric tons in 1944 as against 14,359 tons of Indian jute, according to estimates prepared by the Service for the Control of National Fibers and Derivative Products. In 1943, 3,248 metric tons of the native fiber were consumed as against 10,288 metric tons of the Indian fiber.

There were no raw jute imports recorded in official statistics for the first 3 months of 1945 but a ship carrying some 3,500 metric tons of jute arrived in Santos during April.

Sisal production in the northeast, though still small, is reported to be increasing steadily. In Bahia, for example, production in 1944 amounted to 247 metric tons as compared with 13 metric tons in 1941 and none in 1940. Reports from Pernambuco and Paraiba indicate that sisal may be available in small lots for export during the balance of 1945. In the State of Rio Grande do Sul a plantation of 600,000 plants is almost ready to start production and if successful would open up a new area for this fiber.

Caroá continues to be Brazil's most abundant national fiber and while no estimates of the size of the 1945 crop are available, indications are that production is steady at about 12,000 to 15,000 tons per year. According to official Ministry of Finance statistics, caroá-fiber exports for the first quarter of 1945 amounted to 931 metric tons valued at 3,028,000 cruzeiros as compared with 1,130 metric tons valued at 3,602,000 cruzeiros exported during the corresponding period last year.

Imports of miscellaneous fibers, not specified, are listed in official statistics at 233 metric tons with a value of 13,049 000 cruzeiros in the first quarter of 1945 as compared with 345 metric tons valued at 13,212,000 cruzeiros in the corresponding period of 1944.

Egyptian Flax

According to preliminary official estimates, the area planted to flax in Egypt in the crop year 1944–45 amounted to only 7,686 acres and production of flax straw was expected to decline to 13,074 metric tons as compared with 30,374 acres and production of 53,353 metric tons in the 1943–44 season.

Approximately 1,200 metric tons of line fiber and two were consumed by Egypt's three spinning plants in 1944. In addition, 500 to 600 tons were estimated to have been spun into twine by hand methods in Upper Egypt. Exports in 1944 amounted to 3,463 metric tons, or little more than half the 1943 figure of 6,764 tons.

Synthetic Fibers and Products

New Zealand's Imports of Rayon Piece Goods

Imports of rayon piece goods into New Zealand during 1944 amounted to 9,678,000 square yards, states a British publication. Of this total, 8,066,000 yards were supplied by Great Britain, representing a tremendous advance for British rayons in that market considering that in 1938, at which time total imports stood at 11,773,000 square yards, Great Britain supplied only 1,769,000 yards. Japan furnished much of the rayon goods for that area before the war and in 1938 shipped at least 8,800,000 square yards to New Zealand.

Wool and Products

Argentine Market

Argentina's wool market was strong and active during the period May 11, 1945, to June 8, 1945, inclusive. Belgium bought 3,000 metric tons of wool and there was indication of further demand from abroad. There has been a large domestic demand for the finer grades of wool, and as a result of some of the fine types are becoming scarce, despite a liberal over-all supply situation.

Exports during April 1945 amounted to 15,622 bales, compared with 12,205 bales in March 1945 and 18,082 bales in April 1944. During the period October 1, 1944, to April 30, 1945, exports totaled 84,856 bales, as compared with 143,321 bales in the period October 1, 1943, to April 30, 1944.

April 1945 exports comprised 3,823 metric tons of grease wool, 1,406 metric tons of pulled wool, and 1,712 metric tons of scoured wool. For the period October 1, 1944, to April 20, 1945, exports, in metric tons, included 17,790 of grease wool, 5,212 of pulled wool, 13,706 of scoured wool, and 369 of combed wool.

To save shipping space, nearly 50 percent of exports on a grease-weight basis since October 1944 have been made up of scoured wool.

The following table below summarizes exports converted to a grease basis for April 1945 and for the period October 1, 1944, to April 30, 1945, together with comparisons of shipments on this basis for the like periods of the previous season.

Class of wool	April 1945	April 1944	Oct. 1, 1944, through Apr. 30, 1945	Oct. 1, 1943, through Apr. 30, 1944
Grease wool	3,823	4,377	17,790	31,187
Pulled wool	1,654	1,744	6,132	13,610
Scoured wool	2,634	3,366	21,086	31,137
Combed wool	0	98	568	1,314
Total in terms of grease wool	8,111	9,585	45,576	77,248

Commercial stocks on May 1, 1945, according to report of the Bureau of Wools, Argentine Ministry of Agriculture, totaled 175,976 metric tons on a grease-wool basis; they comprised 130,520 metric tons of grease wool, 16,320 metric tons of scoured wool, and 17,296 tons of pulled wool.

Production in Australia

Even the 3,200,000 bales officially estimated for Australia's 1944–45 wool clip may not be realized, it is thought in some quarters; a more pessimistic estimate is of 3,150,000 bales.

Receipts of wool, including skin wools, at appraising centers from July 1, 1944, to April 30, 1945, amounted to 2,808,444 bales, a decrease of 496,543 bales (about 15 percent) from receipts in the corresponding period last season. Labor difficulties delayed shearing in some areas, and much of the clip normally marketed in the last 2 months of the season has passed into the new season's realization. As of May 31, 1945, total appraisements for the 1944–45 season had reached 2,900,756 bales. Catalogs during the last quarter of the year mainly comprised late summer and autumn shorn wool, lambs' wool, crutchings, oddments of clips, and skin wools.

Total exports of greasy wool for the 10 months ended April 30, 1945, were 1,324,998 bales, an increase of 49,016 bales over those of the corresponding period of the preceding season. Exports of scoured wool, tops, noils, and waste in the same period totaled 276,545 bales, compared with 250,190 bales in the corresponding period of 1943–44.

Stocks of appraised wool held in Australia on June 30, 1944, were 4,393,022 bales. Between that date and April 30, 1945, 2,885,483 bales were added to stocks; oversea shipments of 1,601,543 bales during this period and domestic sales of approximately 375,000 bales left a stock, as of April 30, 1945, in the neighborhood of 5,302,000 bales.

Continuing drought conditions, reductions in sheep numbers, and a scarcity of good feedstuffs have occasioned a

gloomy forecast for the new season's clip. According to the Commonwealth Department of Information's bulletin, a total of 2,970,000 bales is probable in 1945–46. If no more than this estimate is realized, wool production during these two seasons will have experienced its steepest dip in Australia's history—from 3,679,933 bales (net clip) in 1943–44 to 2,970,000 bales in 1945–1946.

British Purchases From South Africa

Since beginning operations in August 1940, the British Wool Commission has purchased wool from the Union of South Africa to the value of approximately £60,000,000, according to a British trade journal. In two South African centers alone, the Commission has stored 485,000 bales of wool, valued at £8,000,000, and large quantities are stored elsewhere in the Union.

An airdrome at East London is to be used for the storage of wool; its five hangars can accommodate about 40,000 bales. It will be utilized for storage of next year's clip, another British periodical states.

Wool Control Relaxed in U. K.

Since July 1, 1945, a plan has been in effect in the United Kingdom to restore to wool merchants and topmakers a measure of freedom to trade on their own account, up to a maximum of 50 percent of the industry's requirements for the rationing period July to October 1945. Since September 1939 the Government Wool Control has been the only seller of wool in the United Kingdom, topmakers working for the Control on a commission basis. New wool merchants will be allowed to buy raw material for resale to the industry and topmakers may sell tops on their own account, Wool Control prices acting as ceilings. Limitation to 50 percent is intended to allow wool firms who left the business during the Control period to return to it gradually. Ability to maintain price stability, it is believed, will largely determine the progressive increase in the proportion of wool that is allowed to pass through trade channels.

Wearing Apparel

Eire to Contribute to European Relief

The Government of Eire proposes to release for European relief, 100,000 pounds of crossbred hosiery yarn in the form of 16,000 dozen knitted undergarments for children (or a smaller number for adults) as well as 20,000 dozen woolen socks, 5,000 dozen woolen gloves, and 50,000 pounds of hand-knitting yarn, according to a report noted in a trade journal published in Belfast. A first allotment of 100,000 blankets is also proposed.

Sales in U. K.

During the sales year ended January 1945, sales of piece goods in Great Britain rose 10.2 over those for the preceding year; women's wear sales went up 16.3 percent; and men's and boys' wear sales increased 27.8 percent. Men's and boys' wear showed the most marked increase in sales of any retail trade commodity, and women's wear the second largest.

Latin American Exchange Rates

NOTE.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar, with the following exception: Cuba—United States dollar to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to a dollar.

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1943 (annual)	1944 (annual)	April 1945 (monthly)	Rate	Approximate equivalent in U. S. currency	Date
Argentina	Paper peso	Official A	3.73	3.73	3.73	3.73	$0.2681	June 30, 1945
		Official B	4.23	4.23	4.23	4.23	.2364	Do.
		Bid	4.94	4.94	4.94	4.94	.2024	Do.
		Free market	4.06	4.03	4.04	4.03	.2481	Do.
Bolivia	Boliviano	Controlled	42.91	42.42	42.42	42.42	.0236	July 3, 1945
		Curb	45.42	51.80	58.00	57.00	.0175	Do.
Brazil	Cruzeiro [1]	Official	16.50	16.50	16.50	16.50	.0606	June 26, 1945
		Free market	19.63	19.57	19.50	19.50	.0513	Do.
		Special free market	20.43	20.20	20.00	20.00	.0500	Do.
Chile	Peso	Special	19.37	19.37	19.37	19.37	.0516	June 30, 1945
		Export draft	25.00	25.00	25.00	25.00	.0400	Do.
		Free market	32.37	31.85	32.26	32.54	.0307	Do.
		"D. P." [2]	31.00	31.00	31.00	31.00	.0323	Do.
Colombia	do	Commercial bank	1.75	1.75	1.75	1.746	.5727	May 31, 1945
		Bank of Republic	1.76	1.76	1.76	1.755	.5698	Do.
		Curb	1.76	1.75	1.83	1.825	.5479	Do.
Costa Rica	Colon	Uncontrolled	5.65	5.66	5.66	5.66	.1767	May 31, 1945
		Controlled	5.62	5.62	5.62	5.62	.1779	Do.
Cuba	Peso	Free	1.00	1.00	1.00	1.00	1.0000	May 31, 1945
Ecuador	Sucre	Central Bank (official)	14.10	14.06	13.77	[6] 13.77	.0726	July 17, 1945
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	.4902	June 30, 1945
Mexico	Peso	Free	4.85	4.85	4.85	4.85	.2062	Do.
Nicaragua	Cordoba	Official	5.00	5.00	5.00	5.00	.2000	July 13, 1945
		Curb	5.16	5.72	7.18	7.35	.1361	Do.
Paraguay	Paper peso	Official	333.00					
	Guarani [3]	do	3.10	3.11	3.12	3.12	.3205	July 14, 1945
Peru	Sol	Free	6.50	6.50	6.50	6.50	.1538	Apr. 30, 1945
Salvador	Colon	do	2.50	2.50	2.50	2.50	.4000	June 30, 1945
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	.5263	July 12, 1945
		Free	1.90	1.90	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Controlled	3.35	3.35	3.35	3.35	.2985	July 19, 1945
		Free	3.35	3.35	3.35	3.35	.2985	Do.

[1] Under law of Oct. 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since November 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.
[2] Disponibilidades proprias (private funds).
[3] New currency unit instituted as of Nov. 8, 1943. Paraguayan central bank establishes a "legal rate" from which buying and selling rates may vary by 1 percent. Since July 13, 1944, the legal rate has been fixed at 3.09 guaranies to the dollar, resulting in buying and selling rates of 3.059 and 3.121, respectively.
[4] A decree of Nov. 18, 1944, fixed basic central bank buying and selling rates at 13.40 and 13.50 sucres to the dollar, respectively, but the imposition at the same time of a 2 percent charge on all exchange transactions has resulted in effective buying and selling rates of 13.132 and 13.77.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Tobacco and Related Products

Tobacco Manufacturing, East Canary Islands

Tobacco manufacturing in the East Canary Islands during the first quarter of 1945 was chiefly for domestic consumption. Some tobacco products were probably manufactured as usual for the Spanish West African possessions; the output of cigarettes for shipment to the Spanish Tobacco Monopoly under a special agreement signed in 1944 continued unimportant on account of lack of imports of Brazilian leaf tobacco needed for their manufacture. The larger factories were busy during the quarter, but a number of small establishments specializing in cigar manufacture continued idle because of scarcity of wrapper leaf.

Production in Paraguay

Tobacco production in Paraguay dropped from 9,000 metric tons in 1943 to 8,500 metric tons in 1944. Average yield per hectare of tobacco was less than 1,000 kilograms.

The amount of tobacco delivered in 1944 to the Oficina Revisadora de Tabaco of the Banco Agricola for classification and export totaled 2,450 metric tons, compared with 3,012 metric tons in 1943.

Paraguay imported 80 metric tons of bright leaf tobacco in 1944 from Brazil and the United States for use as a blend with domestic dark leaf in the manufacture of cigarettes for domestic consumption.

Recent experiments in the Encarnacion region in growing Kentucky-type tobacco have brought satisfactory results. Because of the lack of proper curing facilities, however, this development has been on an extremely small scale.

The following tables show imports of tobacco and cigarettes and exports of tobacco:

Year	Imports		Exports of tobacco
	Tobacco	Cigarettes	
	Kilograms	*Number*	*Kilograms*
1942	68,499	1,536,700	3,341,906
1943	15,248	1,177,770	3,011,846
1944	81,538	2,109,036	2,449,996

Trade-Mark Applications

Argentina.—Notice of applications for registration of the following trade-marks was published in the Boletin Oficial of June 12, 1945. Opposition must be filed before September 3, 1945:

Trade-mark	*Class No. and product*
Monitor	14—Entire class.
El Universal	18—Entire class.

Chile.—Notice of applications for registration of the following trade-marks was published in the Diario Oficial of August 1, 1945. Opposition must be filed within 30 days from date of publication:

Trade-mark	*Class No. and Product*
Geka-Metionil	75—Drugs and pharmaceutical products
Geka Triptol	Do.
Geka Tirosin	Do.
Geka Leucil	Do.
Geka Glutil	Do.
Geka Aspartil	Do.
Geka-Treonil	Do.
Gekalina	Do.
Chol-Met	Do.
Irgalin	Do.
Irgamit	Do.
Cataurit	Do.
Trictal	Do.
Artovin	Do.
Lutilan	Do.
Plasvit Munier	Do.
Novo-Genhaptan	Do.
Amiplex Munier	Do.
Penacura	Do.
Purodigin	Do.
Nutrex	Do.
Dobry	Do.
Vixol	Do.
Androxenkappes	Do.
Aceticolkappes	Do.
Gekaton	Do.
Urotitraurich	Do.
Aspifen	Do.
Supra	Do.
Semil Labomed	Do.
Semilen Labomed	Do.
Sylium Labomed	Do.
Hexinol Labomed	Do.
Hexilen Labomed	Do.
Resermin Labomed	Do.
Aut-o Pep	Do.
Notaral	Do.
Deenate	Do.
Deenol	Do.
Carbitol	Do.
Cefoskappes	Do.
Solifaginakappes	Do.
Saval	Do.
Anascarid	Do.
Avemin	Do.
Parasitan	Do.
Aparasin	Do.
Vermexyl	Do.
Vermhexyl	Do.
Hexilascarol	Do.
Ascarhexil	Do.
Adolit	Do.
Tocardil	Do.
Tocardin	Do.
Tocardol	Do.
Tocardit	Do.
Triconoval	Do.
Colpitan	Do.
Colpitin	Do.
Tricomonil	Do.
Tricomonal	Do.
Metrisan	Do.
Metrilan	Do.
Femarsan	Do.
Analeptin	Do.
Analeptan	Do.
Hecrotan	Do.
Atepat	Do.
Atigan	Do.
Viritest	Do.
Pentracor	Do.
Sindolan	Do.
Neoiod	Do.
Hexayod	Do.
Yodartin	Do.
Yodostal	Do.
Propaiod	Do.
Yodoneurit	Do.
Yodoneon	Do.
Enayon	Do.
Enaiod	Do.
Atoxepat	Do.
Toxepat	Do.
Higatox	Do.
Higrosin	Do.
Marienbad	Do.
Ciencia Popular	82—Periodical publications.
El Commercial De Valparaiso.	Do.

The Story of Almaden

(Continued from p. 9)

shaft was sunk, and the rich ore we now know as Almaden was discovered.

The mineral deposits which constitute modern Almaden consist of three nearly parallel ore bodies trending east and west standing vertically side by side, about 30 meters apart and each consisting of a portion of a bed of Silurian quartzite impregnated with cinnabar. The beds of quartzite are separated by beds of carboniferous clay shales. Along the south side of the ore bodies and their immediate enclosing rocks is a bed or layer of breccia of peculiar character locally called "frailesca."

The north vein is known as the San Nicolás, the middle vein as San Francisco, the south vein on its eastern half as San Diego, and the western half as San Pedro. In those early times only the first few strata were worked; the mineral was removed by shafts named "San Sebastián" and "San Francisco de Paula."

In 1735 Philip V published the first regulations covering the operation of the mines. Between the years 1646 and 1700 mercury production averaged 2,527 metric quintals (556,950 pounds) per year. In the latter year production was increased to 7,000 quintals (1,542,800 pounds), a figure which was maintained until 1776. By 1775 there were 16 Bustamante furnaces in operation. From 1776 the production rose to 18,000 quintals per year despite the failure of certain German concessionaires to maintain the property in repair and safety.

Machinery—and Tragedy

By 1792 the four top strata of the veins were being worked. Charles IV in that year found it necessary to exempt the workers from the payment of "contributions" as an inducement to the workers to continue to work under the adverse conditions. The first use of what was then modern mining machinery is mentioned incidental to the purchase in 1797 and the installation in 1800 of a machine called the "Watt" which clearly augmented production. This appears to be one of the very early if not the first application of the Watt steam engine to mine hoists.

Political troubles, French invasion, lack of capital, Carlist wars, and sacking of the property "stymied" progress until about 1840 when considerable advances were made by the engineers Maffey and Rua Feguora.

In 1859 the concession was declared to be the property of the State and after that was under the control of various superintendents and concessionaires with changing fortunes.

In 1865 there were adopted new regulations for the operation of the mine which formed the basis for subsequent regulatory decrees. The introduction of new machinery in 1874 caused considerable discontent among the workmen who thought their services would no longer be needed. They arose in rebellion and killed the engineers.

Greater Depths Reached

In the interim the three veins "San Pedro–San Diego," "San Francisco," and "San Nicolas" were being worked at greater depths. They are now reached by as many shafts which are known by the names "San Miguel" on the extreme east, "San Aquilino" at the extreme west, and on the opposite side, midway between, the "San Teodoro." The subterranean workings incident to the exploitation are conducted in 13 galleries separated from one another approximately 30 meters, the depth of the mine at the fourteenth level being 368 meters. Underground communications are maintained between the three shafts by special galleries, transverse and in the same direction as the veins.

Mercury deposits usually are horizontal and shallow. These, however, have great depth and continuity of ore value and crystalline structure. The average content of the ore, in mercury, is about 6 to 8 percent; as a comparison the Italian occurrences, Almaden's only European rival, have a mercury content of scarcely more than 0.80 percent, or only about one-tenth as rich. The lowest tenor of ores successfully worked in the United States is 0.38 percent.

There are two other mercury-producing areas in Spain. Neither is of economic importance; total production is less than 3 percent of Almaden's annual aggregate. The one at Oviedo in the north, in the Province of the same name, is of interest because of the presence of arsenic as a byproduct. In the Province of Granada in the south cinnabar is accompanied by nickel and cobalt sulfides.

Modern Era Dawns

The turn of the century marked the beginning of the modern era. The Bustamante furnaces, after more than 250

years of not too efficient operation, were supplemented by Cermak-Spirek furnaces, a modification of the design used at Idria in Austria. These were followed by the installation of electric power compressors and pneumatic tools.

Until taken over by the State in 1918 the Almaden mines had suffered at various times from neglect and had declined to a virtual state of ruin. The Spanish Government now owns and operates them through the Consejo de Administración de las Minas Almaden y Arrayenes (the latter is a lead property). The work of renovation was started soon after that year, and by 1925 almost 6,500,000 pesetas had been expended in betterments which included more than 2,000,000 pesetas for machinery, electrification, and buildings, more than 1,500,000 for tools, and 500,000 for reduction furnaces.

The tons of mineral produced during the period of 1918–30 were on the average not materially greater per year than for the period 1905–18; increased expenditures for improvement and betterment notwithstanding, competition was beginning to assert itself while Almaden labor was enjoying a sit-down siesta. The average annual production of mercury in Spain during the period 1885 to 1915 was 28,000 flasks versus 10,280 for Italy. The highest average in recent years was reached in 1919 at 36,000 flasks for Spain and 24,000 for Italy. After 1920 the Italian production greatly surpassed the Spanish production. This change in position is interesting, because the Italian ores, as stated, are only about one-tenth as rich as those in Spain.

Handling the Output

The definite improvement in the Italian production, coming at the time it did, proved to be somewhat of a handicap for Almaden. For 50 years prior to 1921 the output of Almaden had been sold by the Rothschilds of London on a commission and bonus arrangement. The Spanish Government in January 1922 discontinued its time-honored custom of disposing of the entire stock to the Rothschilds and undertook the sale of quicksilver on its own account.

To exploit a mine is one thing, to exploit the *output* of a mine is quite another problem. The Government after 2 years learned that direct sales of mercury in export can be quite involved. The monopoly of sales of quicksilver in Spain thereafter was in the hands of a selling group called the Sociedad Española del Mercurio. This group, in fact, received a concession on a year-to-year basis and agreed to pay the Government a fixed sum for flasks in pounds sterling. After some years (in 1928) the Spanish and Italian producers joined forces to form "Mercurio Europeo Bureau of Sales," a cartel designed to control both production and price—usually a very substantial handicap to the American producer who must receive more than $90 per flask as a break-even point.

It seems a bit anomalous to speak of attempting to control production, because production is definitely a function of demand for which in the case of mercury there is practically a constant use pattern—principally for drugs and pharmaceuticals. The pattern changes greatly whenever mercury becomes strategic and enlists its services in the cause of and with the fortunes of recurring *wars*.

A reduction in price is not an invitation to use more mercury but rather an opportunity to acquire more for purposes of speculation. The price per flask is not too meaningful because price changes are passed on to finished goods which carry high mark-ups and therefore absorb violent price changes, which average out in due time.

Unusual Social Angles

Almaden is also the name of the city which is situated partly over and partly surrounding the mine. The population is essentially derived from the descendants of workmen who for centuries have depended on the mine for a living and to whom the mining of mercury is a traditional occupation.

Tradition includes the accrued real and fancied abuses and occupational hazards which have been visited on kith and kin through the centuries. During the eighteenth century, prison labor was used, with little precaution to avoid mercurial poisoning, and the mine became justly ill-famed. Since 1801 free labor has been used, but the fear and the memory of "black Almaden" has lingered, and the tradition of terror made it difficult to recruit labor. Mining on a part-time basis combined with farming began with the granting in 1780 of an 8,000-hectare tract near Almaden. The company has gone to great lengths to minimize mercurial poisoning. In addition to hospitalization and other medical treatment, other benefits enjoyed by the workers include (1) exemption from military service and taxes, (2) pensions to widows and orphans of men who lose their lives in the course of their work, (3) school for children for training in industrial arts and crafts, and (4) a school for foremen.

Work Very Short Hours

The terror of the occupational hazard has become so firmly intrenched in the minds of the worker and State that miners and masons work only 8 days of 6 hours each per month and furnace workers only 8 days of 2 hours.

The total force is 2,400 men, of whom 1,500 work underground. The standard rate of pay for miners is 39 pesetas daily, plus various benefits which bring the wage up to 50 pesetas. For this wage they work 6 hours, and they work only eight shifts per month—for which they are paid 400 pesetas ($80 U. S. currency). Specially hazardous work such as working mercurial fluedust is limited to 2-hour shifts, eight shifts per month. The use of quarry workers and masonry revetment workers, a mode of mining long since outmoded, represents about 20 percent of the total pay roll.

Eighty percent of total operating costs is expended for labor.

Production and Profits

The production during the last 5 years has averaged 58,000 flasks per year at an average cost of 232 pesetas—for which the enterprise has received $115 to $250 per flask. Total profits have been on the order of $50,000,000 on sales made equally to the Allies and the Axis as well as the neutrals.

Such profits are possible only because the ore is extraordinarily rich. Ore hoisted averages 6 percent mercury. Under conditions of high-cost operation existing in California and Texas mines, and with modern methods of mining and distillation, mercury could be produced from ore like that at Almaden for less than $10 a flask (current New York quotation is $165 per flask). Domestic ore averages 0.3 percent—or about one-twentieth as rich as Almaden.

Why Such High Cost?

With modern equipment and methods in Spain, and with a scientific treatment of the labor problem and the hazard of mercury poisoning, mercury (it may be repeated) could be produced for about 110 pesetas (about $10) per flask.

The principal factors in the high cost of operation is the wasteful use of labor, and the fetish of mercurial poisoning, which has been exploited to such an extent by the workers that they are paid a continuous monthly wage for working only eight shifts of 6 hours each. Thus 2,400 men are employed where less than half that number would be sufficient.

The past importance of the Almaden mercury deposit can be expressed by production figures. The available statistics start in 1499 and increase a few thousand flasks a year during the sixteenth and seventeenth centuries.

Period	*Flasks*
1500–1699	684,826
1700–1799	1,311,693
1800–1849	1,093,714
1850–1874	633,333
1875–1899	1,143,460
1900–1925	737,375
1926–1944	937,339
445 years	6,540,740

Shape of Things To Come

What does the future hold for Almaden, and posterity, and service to mankind—to whom mercury is an essential element for the pursuits of peace as well as war?

There are 250,000 tons of 6-percent proven ore and 650,000 tons of 2½-percent probable ore, or a total equivalent of 1,000,000 flasks, or 20 years' life at the current rate of 50,000 flasks per year. Twenty years of sure and certain world dominance for Spain!

Occurrences of unproven and possible ore are known to exist within the area encompassed by the 25-kilometer radius reaching out in all directions from the shaft of San Teodoro; and to these Almaden has exclusive mineral rights.

May the Consejo administer wisely and well, so that the life of Almaden may be long and the fruits of the regime may be visited onto many rather than a few: that may be a concluding salute to Almaden.

Sweden's Glass Business

(Continued from p. 11)

supplies were prorated to these plants on the basis of their essentiality and normal production. Glass for cosmetics, essences, perfume, office and store fixtures, ornamental and pressed art glass were listed as "least important, first to be reduced when emergency occurs." In this class, however, an exception was made for "art glass of artistic merit, with export value." It was emphasized that it was highly desirable to maintain the labor forces and the organizations in this field in order to be ready for exportation of this important and representative class of merchandise after the war. Sweden will concentrate its efforts on export of its fine art glass as soon as export conditions permit.

Miscellaneous Glass and Glassware

There are 14 plants producing a miscellany of glass products, including light fixtures, lamp chimneys, glass wool, glass for thermos bottles, household glassware, and art glass.

Sweden manufactures a small amount of glass tubes. However, 99 percent of such requirements have been imported from Germany. Total annual sales of laboratory glassware in Sweden before the war averaged approximately 100,000 crowns, principally from Jena, Germany. Sales of laboratory glass made in the United States averaged only 5,000 crowns. German prices were considerably lower than American. At present there is a distinct shortage of glass for barometers and thermometers.

Specially tempered glass, especially that for laboratory use, is in growing demand in Sweden. There is a high regard for American specially tempered glass, although in prewar years Germany dominated this market because of its lower prices.

Recently, because of wartime-engendered shortages of vacuum tubes, the Swedish Government appropriated a sum of money for the purpose of assisting various glass plants to conduct research on the production of such tubes. The experiments have been successful, not only in developing the proper-quality glass, but also in producing alloys for use in sockets and terminals which form the airtight connections with the glass.

Sources of Raw Materials

Sweden has always relied on imports of chemicals and sand for the better grades of glass. Since 1939 lack of soda has been the chief deterrent to normal production in the glass industry. Of the 39,565 metric tons of soda imported in 1939 (mostly from Germany), the glass industry consumed 17,551 metric tons, or 45 percent. Imports declined to 27,825 tons in 1943. Now, some of the sulfate pulp mills have begun to produce soda on an experimental basis, and results of test operations are reported to be successful. To meet the shortage of soda, many glass makers have altered their processes to use sodium sulfate instead of soda and are reputedly turning out as satisfactory a product as before. Swedish production of sodium sulfate increased from 21,038 metric tons in 1940 to 23,733 tons in 1941, and, while the major portion is consumed by the pulp and paper industry, the glass industry also has received a liberal share. Substitutes cause serious wear and tear on equipment, so their use has been postponed as long as possible.

Experiments have also been made in the production of glass from locally produced "solid waterglass" (sodium silicate). The cost of the finished article is higher, however, because fuel consumption is increased considerably. Swedish feldspar (potassium aluminum silicate) combined with scrap glass has resulted in a satisfactory product.

Feldspar mining has been more active of late, and it is reported that several new deposits have been discovered in the Bohuslan district in southern Sweden. Glass scrap salvage was intensified during the war.

Fuels

The glass plants have been affected by the coal shortage. The consumption of fuel by the Swedish glass industry in 1941 is indicated in the following compilation:

Fuel Consumption by the Swedish Glass Industry in 1941

Coal	metric tons	18,405
Coke	do	378
Peat	do	2,626
Charcoal	cubic meters (loose measure)	72
Wood	do	333,122
Electrical energy	kw.-hr.	13,942,000

Source: Industri, 1941 (official publication).

The prices of fuel have been fixed by the Government as follows: Wood, 15 crowns per cubic meter and peat 49 crowns per cubic meter, delivered to customer in central Sweden; coal, 50 crowns per metric ton c. i. f. east-coast ports, and charcoal in sacks, 5 crowns per hectoliter (1/10 cubic meter) delivered to customer.

Employment and Pay Rolls

Swedish glass workers are thoroughly organized, and employers and union representatives sign agreements at fixed intervals covering the rate of pay and other working arrangements. Laborers are given certain other privileges such as free quarters or rental allowances, medical care, and vacations with pay.

A study made by the Glass Workers Union in 1943 showed a disquieting increase in the average age of workers. Young people are no longer content to work in the glass plants which are located in the interior country districts.

Swedish plants have been forced to mechanize their operations in order to compete in world markets and also because of the growth of industrialization in general and rising wage costs.

The flight of the young workers from the rural areas plus the trend toward greater mechanization offers a threat to the entire structure of the industry in Sweden. The hand labor in the glass plants distinguishes Swedish glass from all other, and it is felt that the loss of such labor would be far more serious than the relatively small number of workers would seem to indicate.

Wage rates are based on piece work, with rates differing for each type of product. The rate is fixed for 100 pieces of glassware, paid to the whole crew engaged in the work, and divided among the members on a fixed percentage basis which is graded on a sliding scale in accordance with the skills required. Wages vary from plant to plant. Representative wage scales are as follows:

Examples of Wages 1944 [1]

	Crowns per hour
Head worker	1.10
Second worker	1.00
Blower	.76
Helpers:	
Over 14 years old	.40
Over 15 years old	.45
Over 16 years old	.48
Over 17 years old	.51
Over 18 years old	.56
Over 19 years old	.64
Over 20 years old	.71
Laborers:	
General laborers, firemen, packers	.81
Inspectors, breakers and heaters	.84
Female labor:	
Over 14 years old	.32
Over 15 years old	.35
Over 16 years old	.38
Over 17 years old	.42
Over 18 years old	.45
Over 19 years old	.48
Over 20 years old	.51

[1] In semiautomatic plant, three-man gang, with over 1 year's experience; when piece rate cannot be applied.

Other Compensation

Housing

Where the employer does not furnish free housing, compensation shall be as follows:

	Crowns per year
Married workers	150
Single workers under 18 years	30
Single workers 18 to 25 years	45
Single workers over 25 years	60

Sick Benefits

Employers pay the workers' regulation fees to the compulsory sick-benefit fund.

Vacations

Granted according to existing law in the period from June to end of September, with full pay based on average earnings.

Distribution

The majority of the glass plants have formed separate domestic selling organizations for the principal groups of products. Bottles, household glass, window glass, and ornamental glass are sold in as many different outlets. Ornamental glass, besides being sold in the general stores, is also marketed through a central retail store in Stockholm which exhibits and stocks the ware of the principal art-glass manufacturers in Sweden.

Imports

Glass import statistics are not available for periods since 1939 except for

(Continued on p. 41)

Selective Imports for Small Retailers

(Continued from p. 7)

Foreign Specialties Imported Into the United States

FOODSTUFFS	EXAMPLES
Meat products	Poland: Pressed ham. Argentina: Corned mutton. France, Hungary: Fine meat pastes, such as paté de foie gras. United Kingdom: Ham, tongue and other meat pastes. Denmark, Hungary, France, Czechoslovakia, Italy, Sweden, Netherlands, Switzerland: Canned- and smoked-meat preparations; sausage delicacies.
Dairy products:	
Cheeses	Switzerland, France, Canada, United Kingdom, Argentina, Denmark, Netherlands, and other milk-producing countries: Brie, Camembert, Cheshire, Edam, Feta Gammelest, Gouda, Jack (Monterrey), Kefaletyri, Leyden, Limburger, Munster, Neufchatel, Port du Sault, Primost, Pultost, Roquefort, Gruyere, Emmenthaler, Stilton, Tilsit, Vise, Gloucester, Livarot, Cheddar. Italy: Asiago, Bel Paese, Caciocavallo, Fontina, Gorgonzola, Goya, Canistrato Pecorino, Canistrato Vacchino, Moderno, Montasio, Moliterno, Mozzarelle, Parmesan, Provoloni, Pepato, Rabiola, Reggiano, Romano Pecorino, Romano Vacchino, Ricotta Pecorino, Ricotta Vacchino, Sbrinz, Scarmorzo, Stracchino.
Fish products:	
Herring specialties; smoked, kippered, in wine, and in tomato or other sauces.	Scotland: Scotch-cure. United Kingdom: Kippered herring. Norway, Sweden, Netherlands: Herring specialties.
Sardines, sprats, and bristling, smoked or in oil, including snacks and tidbits.	Scandinavian countries, France, Portugal, Spain, Italy.
Anchovies in various preparations.	Portugal, Spain, France, Italy.
Fish pastes	United Kingdom, Scandinavian countries: Specialties.
Antipasto containing fish	Italy.
Shellfish preparations	Shellfish-producing countries.
Caviar and other fish roe	Soviet Union, Canada.
Conserves of salmon, shad, and similar fish.	Canada.
Fruit and vegetables preparations:	
Fruits, candied, crystallized, and glaces.	France: Marrons and fruit glaces.
Truffles, fine mushrooms such as cêpes.	France.
Jellies, jams, marmalades, and fruit pastes.	United Kingdom: Orange marmalade. Tropical countries: Bananas, guavas, papayas.
Cherries in maraschino	France, Italy.
Figs, roasted and split with aromatic seeds or stuffed with nuts or fruit pastes.	Italy, Greece, France.
Dates, stuffed or in sirup	Iraq, United Kingdom.
Condiments:	
Sauces	United Kingdom: Meat sauces. Tropical countries: Hot sauces, specialties.
Mustard, prepared	France: Moutarde de Dijon. United Kingdom: English mustard.
Pickles	British specialties.
Spices	Unusual spices from various countries.
Chocolate and confectionery:	
Hard sugar candies	Latin American sugar-producing countries. United Kingdom: Boiled sweets, toffees, butter chips, old-fashioned English mints.
Chocolate, sweetened, in bars, candies	Latin America, Switzerland, Austria, Netherlands, Italy, France.

FOODSTUFFS—Con.	EXAMPLES
Chocolate and confectionery:	
Other specialties	United Kingdom: Mincemeat, Christmas puddings, water biscuits, digestive biscuits, shortcakes, Dundee cakes. Netherlands, Canada, Austria, Scandinavia, Switzerland: Biscuits, puddings, cakes and cookies; Swiss "Basler Leckerli"; Dutch "Hopjes."
Beverages:	
Wines, still and sparkling, table and dessert, herb and spice-flavored.	European wine-producing countries: Portugal, Spain, France, Switzerland, Italy, Hungary, Austria, Czechoslovakia, and others. Latin American wine-producing countries: Argentina, Chile, Mexico. Palestine.
Liqueurs, cordials, bitters, brandies.	Switzerland: Kirschwasser. France: Eau de Framboise, cognac. Hungary and Yugoslavia: Slivovitz. West Indies: Bitters. Latin American specialties.
Sirups, fruit extracts, exotic fruits, or unusual flavors.	France: Grenadine. Italy: Orzata, tamarindo. Switzerland: Raspberry. Tropical countries: Papaya.
TOILETRIES, COSMETICS, SCENTED SOAPS	
Perfues, toilet water, floral waters.	France: Specialties. United Kingdom: Such specialties as lavender preparations. Switzerland: Pine extracts. Latin American preparations.
Cosmetic preparations, scented soaps, and other toiletries.	France, United Kingdom, Switzerland, Latin American countries.
APPAREL	
Women's underwear:	
Panties, step-ins, slips, petticoats, brassieres, pajamas, and nightgowns.	France, Eire, Spain, Belgium, Switzerland, and other European countries; Far East, especially China and Philippines; Latin America: Largely better-priced lingerie, embroidered, tamboured, appliqued, trimmed with laces in different fabrics, mostly handwork.
Women's outerwear:	
Dresses and suits, sweaters and sweater coats, ski and snow suits, slacks and slack suits, bathrobes, beach robes, lounging garments, bed jackets, mufflers, scarfs.	France, Austria, Switzerland, Spain, others; Mexico and other Latin American countries: Lace mantillas.
Dress gloves and mittens	Italy: Kid gloves. Austria, France: Leather gloves. South American countries, such as Uruguay, Argentina, Brazil: Reptile-leather gloves.
Headwear, including straw braids.	Latin American and European countries.
Men's outerwear:	
Specialties such as ski suits, golf hose, leather gloves, mufflers, scarfs.	Scandinavia, Switzerland: Ski suits. Austria, France: Leather gloves.
Footwear	France, Switzerland: High-quality shoes. Latin American countries: Specialties, such as huarachos (Slippers) from Mexico, alpargátas (sandals) from Argentina; reptile-skin shoes from Brazil; sisal slippers from Haiti, and other native-style specialties.
Handkerchiefs:	
Linen, cotton, silk, or lace, ornamented with lace, embroidery applique, drawn work, or other forms of needlework embellishment.	European countries, especially Switzerland, Eire, France, Italy, Belgium, United Kingdom; Far East, especially China and Philippines; Latin American countries.

APPAREL—Con.	EXAMPLES
Buttons:	
Fancy dress buttons, agate, pearl, shell, glass.	Europe, Latin America, Far East.
Handbags, purses, and other leather goods:	
Leather purses, pocketbooks, change purses, banknote cases, money cases, license cases, cigar and cigarette cases, tobacco pouches, and others.	Latin American countries: Leather purses in reptile skin; Mexican belts and wallets, hand-tooled; Aztec leather. Haiti: Ladies' handbags of sisal. European countries: Vienna, Italy, United Kingdom, France, others.
FABRICATED TEXTILE PRODUCTS, EXCEPT APPAREL	
Lace and embroidered articles:	
Curtains, bedspreads, and table and dresser covers, scarfs, doilies, mats, sets, hand-embroidered table linens, household linens.	Philippines, Latin American countries, China: Embroidered silk articles. European countries: Switzerland, Portgual, Belgium, France, Italy, Azores, Madeira, others.
Laces of fine quality and elaborate construction with large amount of hand finishing; napkins, place mats, and other articles wholly or in part of lace.	France: Chantilly, Lyon, Alençon lace. Switzerland: Lace window curtains.
Linens:	
Table covers, towels, and other manufactures of damask and special high-grade fabrics.	United Kingdom, Eire, Czechslovakia, Belgium, France and colonies, Philippines, China: Especially linen damask, such as the English willow pattern and pure-linen luncheon cloths from China.
Blankets:	
Wool blankets, steamer rugs, and similar articles often made of high-grade camel hair.	Latin American countries: Indian-made blankets and rugs. United Kingdom: Whitney blankets.
Floor coverings:	
Textile floor coverings woven on power-driven looms or handwoven, and hooked carpets and rugs.	United Kingdom: Chenille rugs and mohair plush rugs. Czechoslovakia: Chenille rugs. Orient, Soviet Union, China, Iran, British India: Wool carpets and rugs. Latin American countries: Indian-made rugs, rugs of natural alpaca wool from Peru, knotted wool rugs from Mexico, handwoven rugs from Ecuador. Nova Scotia and other sections of Canada: Hooked rugs.
Miscellaneous vegetable-fiber coverings—cocoa, sisal, flax, hemp.	Latin American countries: Such as sisal coverings from Haiti.
Tapestries and upholstery cloth	Belgium, France, Italy, United Kingdom: Mainly high-grade specialties.
FINISHED METAL PRODUCTS	
Silver, plated, and other metal ware:	
Table flatware, hollowware, toiletware, loving cups, and trophies.	European countries: Danish silverware. South America: Anodomized aluminum, hand-made plates, designed in simple, classic lines, polished and finished in permanent colors. Mexico: Hand-hammered silverware.
Jewelry and novelties:	
Bracelets, earrings, rings, necklaces, chokers, millinery and hair ornaments, powder and vanity cases, watch bracelets, collar, cuff, and dress buttons, brooches, cigar cutters, cigar and cigarette holders and lighters, fraternity chains, emblems, and pins; religious medals, crosses, and rosaries.	Latin American countries: Jewelry, mainly of silver adorned with jade and turquoise from Mexico. European countries: Gablonz (Czechoslovakia) novelties, Venetian filigree, and mosiac jewelry.

GLASS, CLAY, AND STONE PRODUCTS	EXAMPLES
Glass products:	
Food-product containers, beverage bottles, toilet preparation containers, table ware, kitchen articles, tumblers, goblets, bar ware, plates, dishes, cups and saucers, bowls dishware, art and decorative glassware, such as lamp bases, candlesticks, vases, flower bowls, trays.	European countries: Cutglassware, such as the famous Swedish glass, products from Belgium, Czechoslovakia, Netherlands, France, and others; blown glassware from Venice. Latin American countries: Fine and moulded glass, polished and fancy from Brazil; hand-blown glass pitchers and glasses in amethyst, aqua, green and cobalt blue from Mexico. Hand-painted glass vases, large urns suitable for terraces and porches.
Pottery products:	
China and porcelain products: Table and kitchen articles, household articles, plates, cups, saucers, pitchers, mantels, friezes. Art and decorative ware: China and porcelain figures, lamp bases, vases. Fine and coarse earthenware products. Fine and coarse stoneware products.	Latin American countries: Mexican majolica. Far East: China, India. Near East. United Kingdom: Wedgwood and Staffordshire china; Rockingham earthenware. France: Sevre, Limoges, Chantilly china. Holland: Delftware. Denmark: Copenhagen porcelain. Spain: Tile work, pottery. Italy, Portugal and other European countries: Pottery.
Alabaster products	Italy: Manufactures of alabaster (Castellina and Volterra marble).
Jewelry and novelties:	
Made of ceramics, coral, glass, jet, pearl or pearl imitation, stones.	China: Earrings from hard stones, such as jade, rock crystals, quartz, agathe, malachite, jasper.
WOOD PRODUCTS	
Furniture:	
High-grade distinctive single pieces, usually hand-made.	Latin American countries: Far East, especially China. Europe: France, United Kingdom, Spain, Italy, and others.
Wood moldings and carvings:	
Architectural and furniture decorations, picture and mirror frames, lamps.	European countries: Switzerland: Woodcarvings. Latin American countries, China.
Baskets, trays, coasters, table pads:	Far East.
Household and fancy baskets of willow, rattan, bamboo.	South America. Mexico: Wicker-type covered basket, sturdily woven and lacquered.
MISCELLANEOUS	
Games, toys:	
Checks and checkers, dice, dominoes, playing cards, chips, and puzzles, artistically finished. Stuffed toy animals, wood-carved animals, toy furniture, dolls, doll clothes, and furniture.	Distinctive game sets, dolls, and toys from practically all countries of the world.
Sporting and athletic goods	Norway: Fishing tackle. Canada: Ice skates. United Kingdom: Balls for games. Switzerland: Skis, etc.
Miscellaneous products of printing and lithograph industries:	
Calendars, greeting and Christmas cards, catalogs, etc. Etchings, drawings, labels, etc.	European countries: Switzerland, United Kingdom, Netherlands, and others.
Novelties, not otherwise specified:	
Garlands, festoons, Christmas and carnival decorations.	Europe, especially Czechoslovakia. Latin America. Far East, especially China.
Musical instruments:	
Music boxes, accordions, jew's-harps.	Switzerland: Famous Ste. Croix music boxes.
Art work and antiques:	
Original paintings, pastels, drawings and sketches. Sculptures and statuaries.	All countries.

Exports of manufactured tobacco from the United Kingdom in 1944 totaled 17,100,000 pounds, compared with 33,600,000 pounds in 1938. Value of 1938 exports was £4,900,000.

Cable & Wireless, Ltd., has announced the opening of a radio-telephone service between Port-of-Spain, Trinidad, and Paramaribo, Surinam, according to the foreign press.

Imports of toilet soap into Jamaica in 1944 amounted to 259,564 pounds, valued at £14,990 (c. i. f.), a decline from the 536,949 pounds imported (worth £29,728) in the preceding year.

New World Trade Leads

The firms and individuals listed below have recently expressed interest in buying or selling in the United States, or in United States representations. Additional information concerning each export or import opportunity, including a World Trade Directory Report, is available to qualified United States firms, and may be obtained upon inquiry from the Commercial Intelligence Unit of the Department of Commerce, or through its field offices, for $1 each. Interested United States firms should correspond directly with the firms listed concerning any projected business arrangements.

While every effort is made to include only firms or individuals of good repute, the Department of Commerce cannot assume any responsibility for any transactions undertaken with these firms. The usual precautions should be taken in all cases, and all transactions are subject to prevailing export and import controls in this country and abroad. (It is recognized that many of the items specified as export opportunities are in short supply or that full facilities for private trade may not have been reestablished in some of the areas from which inquiries have been received. However, many United States foreign traders are proceeding now with negotiations for business when conditions permit.)

Foreign Visitors

Dr. Jose Fagundes Netto, representing EINAC (Exportadore e Importadora Nacional de Artigos Cientificos, Ltda.), 306 Avenida Presidente Wilson, Rio de Janeiro, Brazil, is interested in *hospital apparatus and supplies; school equipment; amateur movie equipment; technical assistance (hospital operation)*. His arrival was expected August 8, 1945, via Miami, for a visit of 3 months. His mailing address while here: % Bolton & Mitchell, 79 Wall Street, New York, N. Y. His itinerary will include: Washington, New York, Philadelphia, Baltimore, Rochester (N. Y.), Buffalo, Cleveland, Detroit, and Chicago.

Jorge Souza Rezende, Rue Alagoas 1071, Sao Paulo, Brazil, representing Máquinas Piratininga S. A. and Serrana Sociedade Anónima de Mineração, Sao Paulo, is interested in making arrangements for licensing manufacture in Brazil of *cotton gins, seed mills, textile machinery*, and *food-processing equipment*. His arrival is expected September 1, 1945, via New York, for a visit of 3 months. His itinerary will include: New York, Boston, Cincinnati, Washington, St. Louis, Dallas, and Cleveland. His mailing address while here: % Bunge North American Corp., 80 Broad Street, New York, N. Y.

L. I. Stauffer, 6231 De Vimey Avenue, Montreal, Canada, representing Laurentian Sales & Distributors Registered, Montreal, is interested in *pottery* and *giftware*. His arrival was expected August 12, 1945, via Rouses Point, N. Y., for a visit of 2 weeks. His itinerary will include New York City and environs.

Ramon Poblet, 34 Empedrado Street, Habana, Cuba, is interested in *leather, shoe findings*, etc. His arrival was expected August 5, 1945, via Miami, for a visit of 2 months. His mailing address while here: c/o Colonial Tanning Co., 207 South Street, Boston, Mass. His itinerary will include Boston and other Massachusetts cities.

Julius Glass, representing J. Glass & Company, Ltd., 15–21 Turner Street, Manchester 4, England, is interested in making business arrangements with American firms, establishing an agency and studying American *dress-production methods*. His arrival is expected during August 1945, via New York, for a visit of 2 months. His mailing address while here: c/o Harry J. Paul, 336 New York Avenue, Brooklyn, N. Y. His itinerary will include: New York City, Chicago, and Los Angeles.

Frances Cross, Iturbide No. 32, San Luis Potosi, Mexico, is interested in *clothing, women's outerwear*. Her arrival was expected July 31, 1945, via Laredo, Tex., for a visit of 1 month. Her mailing address while here: c/o Chamber of Commerce, Laredo, Tex. Her itinerary will include: Dallas and San Antonio.

Ignacio Gonzales Diaz, Chemical Engineer, Industrial Calera de Huescalapa, S. de R. L. de C. V., Madero 593, Guadalajara, Mexico, is interested in *machinery for extraction of lime*. His arrival was expected August 9, 1945, via San Antonio, Tex., for a visit of 45 days. His mailing address while here: c/o Mexican Consulate, Chicago, Ill. His itinerary will include: Chicago, New York City, Ohio, Michigan, and Mexico, Mo.

Jose Proto Garcia Rivas, Belen 187, Guadalajera, Mexico, representing Garcia Rivas Hermanos, S. A., Guadalajara, is interested in buying *spark plugs* and *needles*. His arrival was expected August 10, 1945, via San Antonio, Tex., for a visit of 29 days. His itinerary will include New York and Chicago. Mailing address: Mexican Consulate, 70 Pine Street, New York, N. Y.

The United States Legation at Johannesburg, Union of South Africa, has reported that the Municipality of Bloemfontein, acting through its Town Clerk, would like to make arrangements with a suitable firm to act as their purchasing agent in the United States, to obtain quotations on, and to purchase to the best advantage for the Municipality, *engineering supplies* and *all other articles which are required by the various city departments* and which the Municipal Council wishes to import direct.

The Municipality of Bloemfontein has heretofore had a buying agent as above described in London, where such articles as *road-making equipment, hospital beds, blue serge for uniforms, linen and sheeting* and even *Clydesdale stallions* have been purchased and shipped to South Africa. The connection which is now being sought in the United States should be able to handle a similar range of articles.

Financial arrangements for the purchase of anything required will be made through either Barclays Bank or the Standard Bank. Prospective purchasing agents should negotiate direct with W. K. Hartley, Town Clerk, Municipality of Bloemfontein, Bloemfontein, Orange Free State, Union of South Africa.

Jose E. Leon, Jr., Morelos No. 44, San Luis Potosi, S. L. P., Mexico, is interested in *optical products* and *jewelry*. His arrival was expected August 1, 1945, via Laredo, Tex., for a visit of 1 month. His mailing address while here: 76 West 48th Street, New York 19, N. Y. His itinerary will include: Chicago, Rochester, and New York.

Francisco Martinez Rueda, "La Baja California," Allende 18, Yahualica, Jalisco, Mexico, is interested in *clothing* and *notions*. His arrival was expected July 28, 1945, via Nogales, Ariz., for a visit of 29 days. His mailing address while here: c/o Jesus Rosales, 1221 Barrington St., West Los Angeles, Calif. His itinerary will include: Arizona, California, and Texas.

Juan I. Menchaca, Juarez 680, Guadalajara, Jalisco, Mexico, is interested in *surgical instruments and equipment*. His arrival is expected August 27, 1945, via Dallas, Tex., for a visit of 6 months. His mailing address while here: c/o Mexican Consulate, Chicago, Ill., and 70 Pine Street New York, N. Y. His itinerary will include: Rochester, Minn., Chicago, and New York City.

John M. Celville, Newarthill, Motherwell, Scotland, representing British National Electrics Ltd., is interested in *domestic electric appliances*, such as *washing, dish, and clothes machines, kitchen labor-saving devices*. His arrival was expected August 10, 1945, probably via New York, for a visit of 4 to 6 weeks. His mailing address while here: c/o Rudolph Zinsser, Leeward, Great Neck, Long Island, N. Y. His itinerary will include: New York, Mansfield, Ohio; South Bend and St. Nappanee, Ind.; St. Charles and Chicago, Ill., and Kohler, Wis.

Samuel Allschwang, 28 Strand Street, Port Elizabeth, South Africa, representing National Importers, Port Elizabeth, is interested in *radios, wind-charges*, and other *electrical goods*. His arrival is expected during August or September 1945, for a visit of 4 months. His mailing address while here: c/o American & Foreign Trade Corp., 225 West 34th Street, New York.

Heinz Oppenheim, representing Comptoir Anglo-American Pour le Proché Orient, P. O. Box 807, Beirut, Lebanon, is interested in *general merchandise*. His arrival is expected the end of August, via New York, for a visit of 6 months. His mailing address while here: c/o American Near East Corp., 41 East 42nd Street, New York City.

Leopold Glucksman, 36 Sodra Vagen, Göteborg, Sweden, representing A. B. Glucksmans Metallaffar and Ruth Shipping Co., Göteborg, is interested in *zinc and metal furnaces, pig iron, steel plate, iron and steel for construction* and other purposes. His arrival is expected September 1, 1945, via New York, for a visit of half a month. His mailing address while here: Thor Eckert & Co., 17 Battery Pl., New York, N. Y. His itinerary will include: New York, Chicago, and Pittsburgh.

Export Opportunities

Anciens Établissements M. Gautier & Fils, S. O. B. I., S. A., 411 Chaussée de Jette, Brussels, Belgium, desires to purchase *printing machine* for metal printing; also a *dryer* for printed metal sheets.

Usines Peters-Lacroix, S. A. 7, Avenue de l'Astronomie, Brussels, Belgium, desires to purchase *aluminium slags* (used by wallpaper manufacturers), 2 tons; *hide glue*, in large quantities.

Antwerp Vintage & Alimentation Co., 17, rue Cassiers, Antwerp, Belgium, is interested in the purchase of and representation for *wine, liquors, canned food, baby food, fruit juice* in bulk.

Fábrica Manze Ltda., 133 Praça Barão do Rio Branco, São João Nepomuçeno, Minas Gerais, Brazil, are interested in purchase

quotations on *machine to manufacture horse shoes.*

Connaught Laboratories (University of Toronto), 150 College Street, Toronto 5, Ontario, Canada, desires to purchase *n-Octadecyl Alcohol*—MP 516.5°—58° ($CH_3(CH_2)16CH_2OH$. MW 270.48, up to 15 kilograms weekly—commercial.

George A. Stone, 325 Howe Street, Vancouver, British Columbia, Canada, desires to purchase *pecans,* soft-shell only, 34,000 pounds—bags of 110 pounds.

Joseph Lingford & Son Limited, The Model Factory, Bishop Auckland, Durham County, England, is interested in purchase quotations on *citrus juices;* also *natural fruit flavors in powder form.*

Luigi Lombard, 27 Via Pier Capponi, Florence, Italy, is interested in the purchase of and representation for *raw wool* for textile industry, commercial quality; also *textile machinery* in general (knitting, bleaching, wool picking and carding, wool spinning and weaving); *transmission belts* in general, leather; *agricultural machinery* in general (*plows, harrows, cultivators, harvesters, threshers*).

Adriano Salani (Casa Editrice), Viale dei Mille 144, Florence, Italy, is interested in purchase quotations on *printing paper for books,* about 100 long tons; *printing and book binding machinery* in general (*linotypes, cutting, rotary, and flatbed presses*).

Society Bakery, 808 Arlegui, Manila, Philippines, is interested in purchase quotations on *dough-mixers* and other *bakery equipment,* capacity 300–400 pounds of wheat flour; other bakery equipment in proportion.

Noieck's Cango Sweet Works, P. O. Box 52, Oudtshoorn, Cape Province, South Africa, are interested in purchase quotations on *confectioner's machinery,* small but complete plant; description and specifications can be obtained upon request; small *gelatine mixer and carton filler* (for packaging regular retail-size cartons of gelatine dessert), 200-pound capacity.

Pretoria Portland Cement Co., Ltd., Union Corporation Building, 74 Marshall Street, Johannesburg, South Africa, are interested in purchase quotations on *filter;* description and specifications can be obtained upon request.

Natal Oil Products (Pty.) Ltd., P. O. Box 8, Jacobs, Natal, South Africa, desire purchase quotations on one *automatic packing machine* for packing hydrogenated (hardened) fats in 1-pound packets or cartons; the fat is delivered in a consistency equivalent to very thick cream; capacity: 1,200 to 1,500 pounds per hour.

Glass & Incorporated Industries, Ltd., P. O. Box 1325, Salisbury, Southern Rhodesia, desire purchase quotations on *machinery for the manufacture of metal frames and steel combs;* specifications available upon request.

Sodafabrikernas Forsaljnings A. B., Thulehuset, Goteborg, Sweden, wish to purchase *soda ash*—up to 4,000 tons.

Ulvsunda Gummifabriks A. B., 10–12 Ekbacksvagen, Ulvsunda, Stockholm, Sweden, desire purchase quotations on *mipolam foils* (a polyvinyl-chloride product, plastic material); samples supplied upon request.

F. Suffert-Burner A. G., Aesehgraben 5, Basel, Switzerland, desire purchase quotations on all special *machinery for woodworking, apparatus and tools,* other *specialties for lumber industry;* specifications available upon request.

Trade Lists Available

The Commercial Intelligence Unit has recently compiled the following trade lists, of which mimeographed copies may be obtained by American firms from the Bureau of Foreign and Domestic Commerce. The price is $1 a list for each country.

Architects, Builders, Contractors, and Engineers—Peru.

Dry Goods and Clothing—Importers and Dealers—Canada.

The United States Embassy at Bogota, Colombia, reports that the Administrador de Rentas de Boyaca, an agency of the Department of Boyaca, has been granted a monopoly for the importation of distilled spirits and wines in the Department. The Department has requested catalogs and price quotations on the following items:

Distilling equipment.
Raw materials for distilleries.
Bottles and flasks.
Liquors in general, including whisky, gin, brandy, wine, etc.

It is suggested that interested parties forward the literature requested directly to: Administrador de Rentas de Boyaca, Tunja, Departamento de Boyaca, Colombia.

Sweden's Glass Business

(Continued from p. 37)

bottles and jars (234 tons in 1942 and 219 tons in 1943). Other imports during 1939 consisted of window and mirror glass, 12,366 metric tons; optical glass and lenses, 71 metric tons; tubes and laboratory glass, 384 metric tons; glass bottles and jars, 835 metric tons.

Exports

Although Swedish trade literature emphasizes the importance of glass exports, an analysis of the volume of exports reveals that in the prewar period exports were a small proportion of total production. During 1939, exports of glassware were valued at 4,267,727 crowns, which represented about 11 percent of the total value of glass production. A large share of the total value of exports was composed of the high-priced ornamental glass which finds a ready market in other countries. The Orrefors Co., for example, exported 50 percent of its art-glass output before the war. The firm at that time had 40 representatives in various parts of the world.

During the war, a small but profitable export trade in fine glass has been maintained through safe-conduct shipping with South America. No detailed figures of this export trade are available.

It has been reported that the Swedish glass industry will form an organization to handle its exports in the postwar period. Steps have been taken to unite the glass firms in this common interest, but no definite progress has been accomplished.

Recent U. S. Wood-Pulp Imports

Imports of wood pulp from overseas totaled 23,715 short tons during the week ended August 10, 1945, the Pulp and Paper Unit of the Department of Commerce reported today.

The aggregate quantity from oversea sources imported since VE-Day through August 10, 1945, amounts to 63,766 short tons of which about 55 percent was unbleached sulfate wood pulp (kraft) and about 37 percent was unbleached sulfite wood pulp. The remaining 8 percent was of bleached sulfite and bleached sulfate grades.

Entries of Wood Pulp Into United States, by Customs Districts and Country of Origin, Week Ended August 10, 1945

District, country, and grade	Quantity	Value
Into Maine and New Hampshire:		
From Sweden—		
Sulfate, unbleached, (kraft pulp)	*Short tons* [1] 1,102	[1] $72,134
Into New York District:		
From Sweden—		
Sulfite, unbleached	6,971	427,815
Sulfite, bleached, other than rayon and special chemical grades	165	12,706
Sulfate, unbleached (kraft pulp)	11,023	673,519
Into Baltimore District:		
From Sweden—		
Sulfite, unbleached	1,568	95,844
Sulfite, bleached, other than rayon and special chemical grades	440	30,883
Sulfate, unbleached (kraft pulp)	[2] 2,446	141,524
Grand total	23,715	1,454,225

[1] Represents arrivals during week of August 3, for which import entries were filed during week of August 10.

[2] Represents in part arrivals during week of July 27 for which import entries were filed during week of August 10.

SOURCE: Data supplied by the Bureau of the Census.

Cumulative Imports of Oversea Wood Pulp—VE-Day through August 10, 1945

	Short tons
Sulfite, unbleached	23,793
Sulfate, unbleached (kraft pulp)	35,110
Sulfite, bleached, other than rayon and chemical grades	2,510
Sulfite, bleached, rayon and special chemical grades	2,230
Sulfate, bleached	123
Total	63,766

SOURCE: Data supplied by the Bureau of the Census.

Argentine Library Activities

A librarian's library was recently opened in Buenos Aires for the professional training of students, according to the Argentine press. This library functions under the auspices of the National Committee of Popular Libraries.

More than 4,500,000 readers visited the nearly 2,000 popular libraries in Argentina in 1944. The National Library was visited by 127,374 readers who consulted 209,336 books of the total of 549,706 volumes it contains. During the year 21,512 volumes were added to the Library. The Library has a small printing office which is used not only for the library but for printing other publications.

Canadian shipyards were to begin work in May on an order for 35 cargo vessels for China—15 to be 1,350 tons and 20 to be 350 tons.

U. S. Export Control and Related Announcements

(Developments communicated to the Trade Controls Unit up to Monday, August 20, 1945)

The Foreign Economic Administration has issued the following Current Export Bulletin:

No. 647—*Current Export Bulletin No. 270, August 16, 1945*

SUBJECT: Changes in General Licenses

The following changes in general licenses are effective immediately unless otherwise noted:

Department of Commerce Schedule B No.	Commodity	General license country group		GLV dollar value limits				G-POST dollar value limits	
				Group K		Group G+4			
		Old	New	Old	New	Old	New	Old	New
	OTHER INEDIBLE ANIMALS AND ANIMAL PRODUCTS								
099998	Spermaceti wax, USP	None	K&M	1	.....	1	25	1	25
	NAVAL STORES, GUMS AND RESINS								
218995	Natural gums and resins, refined or modified in condition:								
218995	Carob bean gum, refined or modified	K&M	K&M	.....	.....	25	25	1	1
218995	Copal fossils, Boea, Congo, and Kauri, refined or modified	None	None	1	1	1	1	1	1
218995	Copal loba and Manila, refined or modified	None	None	1	1	1	1	1	1
218995	Copal Pontianak, refined or modified	None	None	1	1	1	1	1	1
218995	Damar gum, refined or modified	None	None	1	1	1	1	1	1
218995	Lechi caspi gum, refined or modified	None	None	*1	*1	*1	*1	*1	*1
218995	Mastic gum, refined or modified	None	None	1	1	1	1	1	1
218995	Sandarac gum, refined or modified	None	None	1	1	1	1	1	1
218995	Squeegee oil, refined or modified	None	None	*1	*1	*1	*1	*1	*1
218995	Other natural gums and resins, refined or modified, as defined in paragraph (a) WPB Order M-300 Schedule 96	None	None	100	1	25	1	25	1
218995	Other	None	K&M	100	.....	25	25	25	25
218998	Natural gums and resins, crude:								
218998	Acacia gum, crude	None	K&M	100	.....	25	25	25	25
218998	Manna flakes	None	None	100	100	25	25	25	25
218998	Other natural gums and resins, crude as defined in paragraph (a) WPB Order M-300, Schedule 96	None	None	*1	*1	*1	*1	*1	*1
218998	Other	None	K&M	*1	.....	*1	25	*1	25
	DRUGS, HERBS, LEAVES, AND ROOTS, CRUDE								
20100	Cascara bark	None	None	*100	100	*25	25	*1	25
220500	Ginseng	None	K&M	*500	.....	*25	25	*25	25
220600	Mandrake root (mayapple root or podophyllum)	None	K&M	100	.....	25	25	52	25
220911	Hyoscyamus (henbane, crude drugs, herbs, leaves, and roots, n. e. s.	None	K&M	*1	.....	*1	25	*1	25
220988	Aconite leaves and root	None	K&M	*100	.....	*25	25	*25	25
220988	Arnica flowers, leaves, or root, whole, granulated, or powdered	None	None	*100	*100	*25	*25	*25	*25
220988	Belladonna leaves and roots	None	K&M	*500	.....	*25	25	*25	25
220988	Colchicum roots and seeds	None	None	*1	1	*1	1	*1	1
220988	Cube, timbo, or barbasco root, root powder and root extract	K&M	K&M	.....	.....	25	25	25	25
220988	Derris or tuba root, root powder, and root extract	None	None	1	1	1	1	1	1
220988	Digitalis seed	None	None	None	None	None	None	None	None
220988	Ipecac root	None	None	*1	*1	*1	*1	*1	*1
220988	Nux vomica	None	None	*1	*1	*1	*1	*1	*1
220988	Patchouli leaves	None	K&M	*500	.....	*25	25	*25	25
220988	Psyllium seeds	None	K&M	100	.....	25	25	25	25
220988	Red squill	None	None	1	1	1	1	1	1
	DRUGS, HERBS, LEAVES, AND ROOTS CRUDE—continued.								
220988	Hyoscyamus (henbane) crude drugs, herbs leaves, etc.—Con.								
220988	Senna leaves	None	K&M	*500	.....	*25	25	*25	25
220988	Stramonium or jimson weed, dried leaves and flowering tops	None	K&M	500	.....	25	25	25	25
	Other crude drugs, herbs, leaves and roots	None	K&M	500	.....	25	25	25	25
	MEDICINAL AND PHARMACEUTICA PREPARATIONS								
811905	Fish oils and fish liver oils and concentrates, medicinal grade:								
811905	Cod liver oil, USP	None	None	*1	100	*1	25	*1	25
811998	Other	None	None	*1	1	*1	1	*1	1
811998	Vitamins and vitasterols, n. e. s.:								
811998	Ascorbic acid	None	None	*1	1	*1	1	*1	1
811998	Carotene	None	None	*100	100	*25	25	*25	25
811998	Nicotinic acid	None	None	*1	1	*1	1	*1	1
811998	Nicotinic acid amide	None	None	*1	1	*1	1	*1	1
811998	Nikethamide	None	None	*100	*100	*25	*25	*25	*25
811998	Riboflavin	None	None	*1	1	*1	1	*1	1
811998	Thiamin Hydrochloride	None	None	*1	1	*1	1	*1	1
811998	Other vitamins and vitasterols, n. e. s. in bulk	None	None	*1	1	*1	1	*1	1
	Other vitamins and vitasterols, n. e. s. in processed forms, preparations, compounds, dosage forms, etc	None	None	*1	500	*1	25	*1	25
812000	Biologics for animal and veterinary use	None	K&M	500	.....	25	25	25	25
812100	Serums and antitoxins for human use	None	K&M	1	.....	1	25	1	25
812200	Vaccines for human use:								
812200	Typhus vaccine	None	None	1	1	1	1	1	1
812300	Other vaccines for human use	None	K&M	1	.....	1	25	1	25
812300	Glandular products, organotherapeutics, enzymes, ferments and culture media:								
812300	Agar-agar, powdered or flaked, as a culture media	None	K&M	*100	.....	*25	25	*1	25
812300	Hormones, ovarian extract in bulk	None	None	100	100	25	25	25	25
812300	Hormones, pituitary extract in bulk	None	None	100	100	25	25	25	25
812300	Hormones, other	None	K&M	*500	.....	*25	25	*25	25
812300	Insulin	None	None	1	1	1	1	1	1
812300	Liver extract in bulk	None	None	100	100	25	25	25	25
812300	Ovarian substance in bulk	None	None	100	100	25	25	25	25
812300	Pituitary powder in bulk	None	None	100	100	25	25	25	25
812300	Thyroid	None	None	*100	*100	*25	*25	*25	*25
	Other glandular products, enzymes, ferments, organotherapeutics and culture media	None	K&M	*500	.....	*25	25	*25	25

See footnote at end of table.

Department of Commerce Schedule B No.	Commodity	General license country group		GLV dollar value limits				G-POST dollar value limits	
				Group K		Group G+4			
		Old	New	Old	New	Old	New	Old	New
	MEDICINAL AND PHARMACEUTICAL PREPARATIONS—continued								
	Vitamins and vitasterols, n. e. s.—Con								
	Glandular products, etc.—Continued.								
812403	Fluid extract of belladonna leaf, N. F. and root, USP; tincture of belladonna, USP; and belladonna liniment, N. F.	None	K&M	*500	.....	*25	25	*25	25
812413	Fluid extract and tincture of hyoscyamus	None	K&M	*500	.....	*25	25	*25	25
812419	Fluid extract and tincture of stramonium	None	K&M	*500	.....	*25	25	*25	25
812498	Elixirs, tinctures, fluid extracts, and similar liquid solutions, nonproprietary, n. e. s.:								
812498	Cascara	None	None	*100	100	*25	25	*1	1
812498	Colchicum and derivatives	None	None	*1	1	*1	1	*1	1
812498	Elixirs, etc., containing quinine	None	None	None	None	None	None	None	None
812498	Other, n. e. s., containing restricted medicinals. (See Comprahensive Export, Schedule No. 18 item 2, page 127, for GLV dollar value limit) [1]	None	None	.....	.....	.....	.....	.....	.....
812498	Other, n. e. s., not containing a restricted medicinal [1]	None	K&M	500	.....	25	25	25	25
812500	Menthol, natural and synthetic	None	None	*1	500	*1	25	*1	25
812793	Extract of belladonna and belladonna ointment and plaster, USP	None	K&M	*500	.....	*25	25	*25	25
812794	Extract of hyoscyamus (henbane)	None	K&M	*500	.....	*25	25	*25	25
812795	Extract of stramonium and stramonium ointment	None	K&M	500	.....	25	25	25	25
812798	Tablets, pills, capsules, powders, ointments, and similar manufacturers,n.e.s.:								
812798	Acetanilide, medicinal	None	None	*1	100	*1	25	*1	25
812798	Castor oil capsules	K&M	K&M	.....	.....	25	25	25	25
812798	Carbarsone	None	None	*100	*100	*25	*25	*25	*25
812798	Cascara	None	K&M	*100	.....	*25	25	*1	25
812798	Colchicum and derivative	None	None	*1	1	*1	1	*1	1
812798	Hexamethylenetetramine tablets	None	K&M	100	.....	25	25	25	25
812798	Tablets, pills, etc., containing quinine (include solid extracts)	None	None	None	None	None	None	None	None
812798	Other, n. e. s., containing restricted medicinals (See Comprehensive Export Schedule No. 18, item 2, page 127, for GLV dollar value limit) [1]	None	None	.....	.....	.....	.....	.....	.....
812798	Other, n. e. s., not containing a restricted medicinal [1]	None	K&M	500	.....	25	25	25	25
813508	Atropine sulfate	None	K&M	*1	.....	*1	25	*1	25
813525	Benzocaine-benzoate, ethocaine, novacaine, P-aminobenzoyl-diethylaminoethanol, planocaine, and all forms of procaine:								
813525	Benzocaine	None	None	*1	1	*1	1	*1	1
813525	Other	None	K&M	*1	.....	*1	25	*1	25
813540	Acetophenetidine	None	None	*100	100	*25	25	*25	25
813557	Phenolphthalein	None	K&M	*100	.....	*25	25	*25	25
813561	Sulfanilimide	None	K&M	*1	.....	*1	25	*1	25
813569	Sulfarsphenamine	None	K&M	*500	.....	*25	25	*25	25
813598	Medicinal chemicals for prescription use, n. e. s.:								
813598	Acetylcholine bromide	K&M	K&M	.....	.....	25	25	25	25
813598	Acetarsone	None	K&M	*100	.....	*25	25	*25	25
813598	Amytal	None	K&M	*1	.....	*1	25	*1	25
813598	Aperitol	None	K&M	1	.....	1	25	1	25
813598	Atropine hydrochloride	None	K&M	*1	.....	*1	25	*1	25
813598	Atropine hydrobromide	None	K&M	*1	.....	*1	25	*1	25
813598	Atropine methyl bromide	None	K&M	*1	.....	*1	25	*1	25
813598	Atropine methyl nitrate	None	K&M	*1	.....	*1	25	*1	25
813598	Atropine nitrate	None	K&M	*1	.....	*1	25	*1	25
813598	Atropine salicylate	None	K&M	*1	.....	*1	25	*1	25
813598	Atropine sulfuric acid	None	K&M	*1	.....	*1	25	*1	25
813598	Atropine valerate	None	K&M	*1	.....	*1	25	*1	25
813598	Barbituric acid	None	K&M	100	.....	*25	25	*25	25
813598	Bismuth iodides	None	None	*1	*1	*1	*1	*1	*1
813598	Bismuth salts and compounds medicinal grade, other [2]	None	None	500	*1	25	*1	25	*1
813598	Bromoform	K&M	K&M	.....	.....	25	25	25	25
813598	Bromural	None	K&M	100	.....	25	25	25	25
813598	Cacodylic acid	None	K&M	*100	.....	*25	25	*25	25
813598	Calcium carbonate	K&M	K&M	.....	.....	25	25	25	25
813598	Calcium ferrocyanide	K&M	K&M	.....	.....	25	25	25	25
813598	Calcium gluconate	None	None	*100	*100	*25	*25	*25	*25
813598	Calcium luvulinate	K&M	K&M	.....	.....	25	25	25	25
813598	Calcium molybdate	K&M	K&M	.....	.....	25	25	25	25
813598	Calcium peroxide	K&M	K&M	.....	.....	25	25	25	25
813598	Calcium phosphate, normal	K&M	K&M	.....	.....	25	25	25	25
813598	Calcium sulfate, precipitated	K&M	K&M	.....	.....	25	25	25	25
813598	Calomine zinc oxide, containing a small amount of ferric oxide, used in pharmacy to import a flesh color to ointments, washes, and powders	K&M	K&M	.....	.....	25	25	25	25
813598	Carbromal	None	K&M	100	.....	25	25	25	25
813598	Chiniofon	None	None	*100	*100	*25	*25	*25	*25
813598	Chloral	None	None	25	25	25	25	25	25
813598	Chloramine B and T	None	None	100	100	25	25	25	25
813598	Colchicum derivatives	None	None	*1	1	*1	1	*1	1
813598	Creosote, beechwood and creosote, vegetable	K&M	K&M	.....	.....	25	25	25	25
813598	Emetine	None	None	*None	*None	*None	*None	None	*None
813598	Ephedrine	None	None	*1	100	*1	25	*1	25
813598	Ethodin (rivanol)	None	K&M	*1	.....	*1	25	*1	25
813598	Gallic dibromo acid	K&M	K&M	.....	.....	25	25	25	25
813598	Hesperidin	K&M	K&M	.....	.....	25	25	25	25
813598	Ichthammol	None	None	*100	100	*25	25	*1	25
813598	Lithium bromide	K&M	K&M	.....	.....	25	25	25	25
813598	Lithium iodide	None	K&M	1	.....	1	25	1	25
813598	Mapharsen	None	None	*500	*500	*25	*25	*25	*25
813598	Merbromine	K&M	K&M	.....	.....	25	25	25	25
813598	Mercuric bromide	K&M	K&M	.....	.....	25	25	25	25
813598	Mercury biniodide	None	K&M	1	.....	1	25	1	25
813598	Narcotics	None	None	*None	*None	*None	*None	*None	*None
813598	Neoarsphenamine	None	K&M	*500	.....	*25	25	*25	25
813598	Novolgin	None	None	100	100	25	25	25	25
813598	Penicillin	None	None	*10	*10	*10	*10	*10	*10
813598	Pharmaceutical dextrose and glucose including dextrose-monohydrate	None	None	500	[2] 100	25	25	25	25
813598	Phenobarbital	None	K&M	*100	.....	*25	25	*25	25
813598	Potassium sulfoquayacolate	K&M	K&M	.....	.....	25	25	25	25
813598	Santonine	None	K&M	*500	.....	*25	25	*25	25
813598	Silver salts and compounds	None	None	*1	*1	*1	*1	*1	*1
813598	Sodium cacodylate	None	K&M	*100	.....	*25	25	*25	25
813598	Strontium bromide	K&M	K&M	.....	.....	25	25	25	25
813598	Strontium iodide	None	K&M	1	.....	1	25	1	25
813598	Tannigen (acetyltannic acid)	None	K&M	*100	.....	*25	25	*25	25
813598	Terpin hydrate drugs	K&M	K&M	.....	.....	25	25	25	25
813598	Thymol and thymol blue	None	None	1	1	1	1	1	1
813598	Tryparsamide	None	K	*500	.....	*25	25	*25	25
813598	Wood creosote	K&M	K&M	.....	.....	25	25	25	25
313598	Yatren	None	None	*1	*1	*1	*1	*1	*1
813598	Medicinal chemicals for prescription use, n. e. s., containing restricted medicinals (See Comprehensive Export Schedule No. 18, item 2, page 127 for GLV dollar value) [1]	None	None	.....	.....	.....	.....	.....	.....

See footnotes at end of table.

Department of Commerce Schedule B No.	Commodity	General license country group		GLV dollar value limits				G-POST dollar value limits	
				Group K		Group G+4			
		Old	New	Old	New	Old	New	Old	New
	MEDICINAL AND PHARMACEUTICAL PREPARATIONS—continued								
	Medicinal chemicals for prescription use, n. e. s.—Continued								
813598	Medicinal chemicals for prescription use, n. e. s., not containing restricted medicinals [1]	None	K&M	500	.....	25	25	25	25
	Household medicinal chemicals and pharmaceuticals in small packages:								
814200	Tincture of iodine	None	K&M	100	.....	25	25	25	25
815001	Belladonna plasters, USP	None	K&M	100	.....	25	25	25	25
815100	Belledonna liniment, N. F.	None	K&M	500	.....	25	25	25	25
815400	Cold, cough and bronchial preparations containing ephedrine	None	K&M	*1	.....	*1	25	*1	25
815500	Asthma, catarrh and hayfever preparations containing ephedrine (including inhalants, except salves and ointment)	None	K&M	*1	.....	*1	25	*1	25
815700	Malaria, chill and fever remedies:								
815700	Containing quinine	None	None	*None	*None	*None	*None	*None	*None
815700	Containing atabrine (quinacrine hydrochloride)	None	None	1	1	1	1	1	1
815700	Containing pamaquine naphthoate (plasmochin)	None	None	1	1	1	1	1	1
815700	Other containing restricted medicinals (See Comprehensive Export Schedule No. 18, item 2, page 127 for GLV dollar value limit) [1]	None	None	.....	.....	.....	.....	.....	.....
815700	Other, not containing restricted medicinal [1]	None	K&M	100	.....	25	25	25	25
816000	Tonics, blood purifiers, emulsions and appetizers containing vitamins	None	None	*1	500	*1	25	*1	25
816100	Laxatives, purgatives and cathartics containing cascara	None	K&M	*100	.....	*25	25	*25	25
816100	Laxatives, purgatives and cathartics containing phenolphthalein	None	K&M	*1	.....	*1	25	*1	25
816700	Headache, neuralgia and pain remedies:								
816700	Containing quinine	None	None	*None	*None	*None	*None	*None	*None
816700	Other, containing restricted medicinals (See Comprehensive Export Schedule No. 18, item 2, page 127 for GLV Dollar value limit) [1]	None	None	.....	.....	.....	.....	.....	.....
816700	Other, not containing a restricted medicinal [1]	None	K&M	100	.....	25	25	25	25
818003	Extract and fluid extract of belladonna leaf and root; tincture of belladonna, USP; belladonna ointment, USP; homatropine or belladonna root	None	K&M	*500	.....	*25	25	*25	25
818013	Extract, fluid extract, and tincture of hyoscyamus	None	K&M	*500	.....	*25	25	*25	25
818014	Extract and fluid extract of stramonium (jimson weed)	None	K&M	*500	.....	*25	25	*25	25
818019	Tincture of stramonium and stramonium ointment	None	K&M	*100	.....	*25	25	*1	25
818098	Proprietary medicinal preparations, n. e. s.:								
818098	Ovaritone	None	K&M	100	.....	25	25	25	25
818098	Preparations, n. e. s. containing quinine	None	None	*None	*None	*None	*None	*None	*None
818098	Other, n. e. s. containing restricted medicinals (see Comprehensive Export Schedule No. 18, item 2, page 127 for GLV dollar value limit). [1]	None	None	.....	.....	.....	.....	.....	.....
818098	Other, n. e. s. not containing a restricted medicinal [1]	None	K&M	500	.....	25	25	25	25
	INDUSTRIAL CHEMICALS								
832996	Hexamethylene tetramine:								
832996	Hexamethylene diamine	None	None	1	1	1	1	1	1
832996	Other	None	None	*100	100	*25	25	1	25
834402	Potassium bromide	None	K&M	100	.....	25	25	25	25
834403	Sodium bromide	None	K&M	*100	.....	*25	25	*25	25
834610	Potassium iodide	None	K&M	1	.....	1	25	1	25
834630	Iodine crude and resublimed	None	K&M	100	.....	25	25	25	25
834698	Other iodine, iodides and iodates	None	K&M	1	.....	1	25	1	25
839741	Mercurous chloride	None	K&M	*100	.....	*25	25	*25	25
839742	Mercuric chloride (corrosive sublimate)	None	K&M	*100	.....	*25	25	*25	25
839745	Mercuric oxide (red and yellow)	None	K&M	*100	.....	*25	25	*25	25

[1] A restricted medicinal is any medicinal having a specific value limitation preceded by an asterisk as set forth in Comprehensive Export Schedule No. 18, section I, pp. 8-86, or any medicinal listed in item 5, pp. 127 and 128.

[2] Effective date of change Aug. 21, 1945.

*An asterisk preceding a dollar value limitation indicates that all forms, conversions and derivatives of the commodities, even though not covered by the Schedule B number for the entry, are included.

Shipments of any of the above commodities removed from general license or whose GLV dollar-value limits have been reduced which were on dock, on lighter, laden aboard the exporting carrier or in transit to ports of exit pursuant to actual orders for export prior to the effective date of change may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to the effective date of change pursuant to ODT permits issued prior to such date may also be exported under the previous general license. Shipments of any of the above commodities whose G-POST dollar-value limits have been reduced and which were mailed prior to the effective date of this amendment may also be exported under the G-POST general license provisions previously in effect.

Ask Your Department of Commerce for
Basic Market Research Data

British Postwar Balance of International Payments

(Continued from p. 5)

The National Income

During the war the national income of the United Kingdom as officially computed has steadily increased, and in 1944 was estimated at £8,334,000,000 as compared with £4,619,000,000 in 1938. Gross national product at market value totaled £10,069,000,000 in 1944 compared with only £5,682,000,000 in 1938. Since these figures are stated in terms of current prices, they do not adequately measure the change in real output. According to a statement made by the Chancellor of the Exchequer on April 24, the "national product and income, as a whole, must . . . be thought of, in terms of the value of money, as being of the order of 150 percent prewar rather than the level of 130 percent at which the cost of living still stands." On this basis, net national income in 1944 would be about £5,560,000,000, or an increase from 1938 of £941,000,000.

Various estimates of the postwar national income of the United Kingdom have been made, and although they tend to vary from each other the degree of variance is surprisingly small and almost entirely due to slight differences in the assumptions. Taking the recently published figures issued by PEP, an independent British research organization, we find that at 1938 prices the total net national income would be approximately £5,450,000,000 in 1946, £5,430,000,000 in 1947, £5,520,000,000 in 1948, and £5,610,000,000 in 1949.[4] The figure given for 1948 compares favorably with the estimate of £5,600,000,000 made by Kaldor.[5] On the same basis, it is possible to arrive at a total net national income in 1952 of approximately £5,900,000,000 under conditions of full employment. Postwar price movements will, of course, alter these figures; with an increase of 50 percent in prices, the net national income in 1952 would reach £8,850,000,000.

The Behavior of Imports

Before the war the volume of British imports was for the most part determined by such factors as the level of business activity, the demand for domestic exports, relative prices, and consumer preferences. Apart from a limited number of commodities for which quotas were established, British consumers—individual and industrial—were free to purchase wherever they wished. As previously mentioned, advances in the national income were normally accompanied by a rise in imports. Therefore, if no deliberate restrictions are placed on imports, the rise in the national income since 1938 should result in an increase in total expenditures on imports. In view of the backlog of consumer demand and the accumulated savings of individuals, a reasonable assumption might be that the ratio would approach 25 percent in the first 2 or 3 years of the transition. On this basis, retained imports in 1946 would total in excess of £1,362,000,000 at 1938 prices, or £1,815,000,000 at prices one-third higher.

It would appear rather optimistic, however, to assume immediate discontinuance of all controls. Were all other conditions favorable to such action, time would still be required before the wartime machinery of control could be brought to a halt and dismantled. Indeed, the immediate lifting of all trade restrictions and exchange controls in all probability would tend to demoralize large segments of the economy and create more problems than would be solved. How stringent these restrictions will be, therefore, is a more realistic and important question than whether they will be eliminated in their entirety.

In view of the magnitude of the existing sterling claims against the United Kingdom, the Government undoubtedly will wish to keep any further growth in external liabilities to an absolute minimum. It may be presumed, therefore, that considerable caution will be exercised in permitting other than essential imports to enter, including as essential those items necessary for the implementation of long-range projects which will contribute to increased domestic output.

Despite the recent change in the British Government, the official attitude toward this matter is very likely to continue along the lines indicated by the former Chancellor of the Exchequer, Sir John Anderson, in his Budget speech of April 24, 1945: "For the first three years after the war I foresee a very heavy deficit on current account in the balance of payments. In other words, for the imports which will be absolutely essential to feed our people, and to provide raw materials for industry, we shall have to incur further indebtedness. How large that indebtedness is and how long it lasts, depends on two questions to which in large part we ourselves can provide the answers. The first is the sense of urgency with which we treat the expansion of our export trade, even if that means waiting a little longer before we satisfy our personal wants in full . . . The second question is how far we shall be willing to enforce a strict economy in external cash expenditure . . . What we must avoid is unnecessary commitments which might be beyond our continuing strength, and we must closely limit external expenditure which does not produce a fairly quick return."

From a general knowledge of the past and current needs of the British economy it is possible to draw up some estimates of the volume of imports within the next few years. It must be remembered, however, that these are only possibilities, not probabilities. In terms of 1938 prices, retained imports between 1946 and 1949, inclusive, may be estimated to total £809,000,000, £850,000,000, £954,000,000, and £924,000,000 for each of the 4 years respectively, compared with £858,000,000 in 1938.

In deriving these totals, the various categories of imports have been appraised and due allowance made for anticipated trends during the transition. For 1946 and 1947 imports of food, drink, and tobacco have been estimated at 75 percent of the 1938 requirements, which permits continuation of wartime agricultural activity and also allows some increase in the quantity of imported food available to the civil population. By 1948 these imports are assumed to return to their prewar level despite the indefinite maintenance of a higher level of agricultural production than prevailed before the war, since some consideration must be given to higher standards of nutrition and the effects of full employment on personal incomes. The apparent tendency for the population to become stabilized in terms of size will work against further increases in these imports.

The demand for raw materials in all probability will be substantial. In view of urgent reconstruction demands, which may be considered as supplemental to those occasioned by the need for repairs and for industrial use, requirements have been estimated at 150 percent of the 1938 volume for 1946, 175 percent for 1947 and 1948, and 160 percent for 1949. The drop after 1948 is assumed to be consequent on the completion of the urgent demands, but with export expansion absorbing at least part of the slack.

Since the United Kingdom is itself an industrial nation of the first magnitude, the prospects are that the main official efforts will be directed toward limiting the deficit on current account by restricting imports of manufactured articles. But, as noted before, this category includes items essential to industry, and it is difficult to see how expenditures under this category can be completely eliminated . Plant expansion during the war will simultaneously ease the need for imports of machinery and raise the demand, since various plants will require new equipment while others are turning out products which hitherto were obtained abroad. The problem will not be confined to blocking imports of luxuries of which there were very few, but of measurement of the contribution to the national economy made by a particular import, i. e., import selectivity. Under these circumstances the volume of manufactures imported is estimated at 75 percent of the prewar level in the first postwar year, and 70 percent in the next 3 years. It is possible, however, that 60 percent in the first year may prove to be nearer to actual developments. The final percentage will be vitally affected by such factors as the success of export expansion, the establishment of branch factories by foreign—particularly United States—manufacturers, and technological progress.

Service and Investment Income

The change in the size and composition of oversea investments will have repercussions on the postwar balance of payments, but the extent of the influence now depends upon a number of decisions

[4] Ibid.

[5] N. Kaldor, The Quantitative Aspects of the Full Employment Problem in Britain, appendix C of Full Employment in a Free Society by Sir William Beveridge.

yet to be reached. In general, however, the net contribution of the invisible items to the current account may be expected to be cut approximately 50 percent in the first transition year compared with the prewar average. The loss of income due to liquidations, pledgings, and war damage of oversea assets may total approximately £70,000,000, without any allowance for the effects of a higher world price level. Balogh has recently estimated that the decline would approximate £50,000,000 at a minimum, and apparently has not included the reduction due to destruction or disorganization of properties in enemy and enemy-occupied areas.[6]

Not only will income be reduced, but also payments will presumably be increased. At the end of 1945 the total external sterling debt of the United Kingdom will be very close to £4,000,000,000 at the current rate of increase. Assuming that by various means, including cancelations, exchange against surplus property, and other assets secured during the war, the total external debt has been reduced to £3,000,000,000, there will still be a problem of settlement.[7] Without discussing the proposals so far advanced, the assumption may be made that these obligations will be funded at an annual average rate of 2 percent. The total annual interest commitment will then amount to £60,000,000.[8]

Although in the table on page 5 receipts and payments are shown separately, the net result will be that the credit balance from investments will be reduced to £70,000,000 in 1946 and 1947. The most common British estimate currently circulating is £80,000,000, but this figure customarily represents an average transitional year. A higher or lower amount may be obtained according to the general state of world business activity, the rapidity with which the temporary losses are restored to operation, the character of the sterling balance settlements, and funding arrangements. In any event, the elimination of a substantial part of the better grade fixed-interest securities from the total of oversea investments cannot but influence postwar stability of investment income.

One writer has commented that it would not be unduly conservative to estimate postwar shipping income at 50 percent of prewar, or £60,000,000 to £70,000,000.[9] Despite serious losses, this estimate seems far too low in view of an anticipated world demand for shipping space and the elimination of the Axis merchant fleets as competitors of consequence. But the Financial Editor of the Manchester Guardian estimated a still lower income of £40,000,000.[10] For 1946 approximately 80 percent of prewar appears reasonable, barring complete removal of all governmental controls which would bring a steep rise in freight rates. Since the reconstruction of the merchant marine will be given high priority, net shipping income has been estimated to equal the prewar average during the second and third transition years, and to increase slightly thereafter as a result of a greater volume of external trade.

Net receipts from other sources may amount to approximately the same total as in the immediate prewar years, despite an anticipated decline in certain items. Continuation of exchange control and trade restrictions will cut into earnings from commissions and brokerage, and earnings from capital flotations for oversea borrowers will be reduced to a negligible amount since there seems little hope for more than restricted lending. Moreover, if sterling is superseded as the dominant currency of international commerce, a drastic decline in commissions and short-term interest receipts may be expected. Insurance has better possibilities, having demonstrated considerable resilience during the war. Recovery of lost business and further expansion may bring the net contribution of this item to £15,000,000 or £20,000,000.

Although according to such official estimates as are available tourist trade was a net debit item in most of the prewar years, strenuous efforts will be made to turn it into a net credit item and to raise the income received substantially. One suggestion has been made that gross income might be raised to £100,000,000, roughly triple that of 1938. This figure is probably too optimistic, and a more conservative estimate might be £50,000,000. Tourist traffic, however, is a two-way proposition, and is closely related to the state of business activity in the countries from which tourists are drawn. Therefore, at best, net income may not exceed £20,000,000 to £25,000,000.

The other miscellaneous items can be dismissed as having little total effect one way or the other. Remittances, gifts, and transfers of savings are likely to remain virtually unchanged. Ordinary governmental transactions are likely to result in a slight deficit, owing to the shift in the position of India, and abnormal transactions, including reparations if they are exacted, are excluded from consideration.

Export Prospects

All these facts lead to the conclusion that the United Kingdom must export far more in the postwar years than it did in 1937 or 1938 if the standard of consumption to which the nation has become accustomed is to be retained. So much has been said in the press, in periodicals, and in public addresses that by now the need for a 50-percent expansion in the volume of British exports has been commonly accepted as fixed. Unquestionably this figure has served as a convenient peg for the arguments advanced and has focussed attention on the magnitude of the task ahead. Nevertheless, the important question still remains: What standard of consumption does this presume as prevailing in 1946, 1949, or 1952?

It is obvious at the outset that some time must elapse before the required expansion has been achieved. To expect that the volume of exports will regain the level of 1938 within 1, or possibly 2 years, demands that reconversion proceed more rapidly than might normally be anticipated. Moreover, such an expectation would require that reconstruction be delayed and that British consumers continue to accept living standards little better than during the war years. Since the demand for an expansion of exports is merely an expression of the need for foreign exchange with which to purchase foreign goods, it is clear that sales other than on this basis will be of no immediate assistance to the economy.

The immediate problem of the transitional period, therefore, will be one of production, of securing the right distribution between internal and external consumers, rather than marketing. In the long run, however, marketing will assume increasing importance, and if sound and lasting expansion is to be achieved, it must be taken into consideration during the immediate transitional period. Recovery of the prewar volume may not prove to be difficult, but the next 25, 50, or 75 percent of expansion will require persistent effort and favorable conditions in world markets. In driving toward the objective the United Kingdom will meet and, if success is to be gained, must solve such questions as: Is the industrial capacity sufficient to satisfy both home and foreign demands? If it is, can industry compete effectively in foreign markets in view of the war-stimulated industrial development within these countries and intensified competition from without? What conditions will be necessary for the attainment and maintenance of this higher level of exports?

Although industrial capacity may be limited during the first stages of transition and the quantity of goods produced insufficient to meet all demands, the general opinion is that in the long run industrial capacity will be adequate. Whether industry can compete effectively will depend on many factors, not the least of which will be the ability to produce the right products at right prices. In seeking to expand exports, the United Kingdom will be running against the prewar trends in many staple commodities, and new products must therefore be developed to replace those for which world demand has ceased to exist as far as the United Kingdom is concerned. The most urgent task will be to adjust the productive mechanism of industry to lines which are desired rather than continue production of unsalable goods. Most observers seem agreed that specialty goods and new products will assume greater importance, and that thereby the need

[6] T. Balogh, Britain's External Problem. The Banker, October 1944. Mr. Balogh does say, however, that "a very severe, though quite incalculable, loss in foreign income will result from the diminution or annihilation of earning power if not of the actual properties abroad, resulting from the German and Japanese wars." Kaldor (*Op. cit.*) estimates the income decline due to sales at £36,000,000, but does not allow for losses due to other causes. Moreover, as far as is known, no other estimator has placed the reduction so low.

[7] Reduction or settlement by further investment liquidation has been excluded.

[8] N. Kaldor has estimated interest payments on £2,500,000,000 at 2.5 percent or £62,500,000. *Op. cit.*

[9] T. Balogh, *op. cit.*

[10] Manchester Guardian, February 22, 1945.

for many bulky imports may be reduced. There is also substantial agreement that manufactures embodying a high percentage of skill will find a large and growing market.

World demand for British products is considerably more difficult to estimate than the British demand for imports. Hinshaw and Metzler have stated this problem rather concisely: "Apart from wartime changes in productivity, in competitive conditions, in prices, and in exchange rates, the problem is complicated by the large number of countries to which the United Kingdom sends its exports. This diversity of markets is so great that it is difficult to establish a 'normal' relation between exports and the level of world prosperity. Ideally, the demand of each country for British goods should be related to the country's real income. Practically, such a procedure is impossible because no income data are available for many of the countries involved." [11]

It may be assumed, however, that during the first 3 years of the transition the level of world demand will be sufficient to absorb British products as rapidly as they become available, but that manufactured goods will not become in great supply until the last year. By 1949, however, the emphasis will have been shifted and the presumed level of world demand will determine the volume of exports. On this basis, British exports during the transition may be estimated at 1938 prices to total £233,000,000 in the first year, and £322,000,000, £470,000,000, and £631,000,000 in the following years, respectively.

During the war there has been approximately a 70-percent reduction in the volume of exports of food, drink, and tobacco, with the quantities of alcoholic beverages exported in 1944 only about 50 percent of the 1938 figure. Since stocks have been drawn on to a considerable extent, it would seem to be a reasonable assumption that the volume of exports in this category will not rise appreciably beyond 50 percent of 1938 until after 1948.

It is very doubtful whether exports of raw materials within the immediate future will be restored to the 1938 volume. Domestic demand is very likely to equal output, leaving little excess for export. Moreover, this category before the war mainly consisted of coal which, as an export commodity, has been losing ground almost steadily for some time. The percentage increase which will be required to regain the 1938 level will be considerable, since in 1944 the volume of exports within the raw material classification was only 7 percent of 1938.

For 1944 the volume of manufactured exports was officially estimated to be 34 percent of prewar, and it is very doubtful whether the increase during 1946 can result in an over-all average volume for that year of better than 50 percent. Under favorable conditions the 1938 volume may again be equaled during the last quarter of 1947 and slightly exceeded during 1948. By 1949, however, the expansion in manufactured exports may be assumed to have brought this category to approximately 150 percent of 1938 or to a value of £545,000,000 in terms of 1938 prices. For all exports, however, the volume would still be slightly less than 135 percent of 1938. Nevertheless, it is interesting to note that total exports in 1949 would be in the ratio of 11.2 percent of the net national income of the United Kingdom, compared with an average ratio for the period 1934–37 of approximately 11 percent and with a ratio of 12 percent for 1937.

Hinshaw and Metzler have approached the problem somewhat differently. According to their computations for the years 1932–37, a 10-percent increase in the index of real world income was, on the average, associated with a 7.8-point increase in the volume of British exports.[12] On this basis, a 50-percent expansion in British exports would require a rise of 60 to 65 percent in real world income. But they have made the "conservative assumption" of a 30-percent increase in such income, which would yield only a 22-percent increase in the volume of British exports. It is obvious, therefore, that if the goal of export expansion is to be achieved, the world's demand for British products must be raised considerably.[13] The 30-percent income increase, however, may be too low an estimate for full employment conditions, and should a 50-percent expansion in real world income be possible, then, the advance in volume of British exports would be about 40 percent.

Hypothetical Balances of Payments

By combining the estimates already presented, hypothetical balance-of-payments statements may be constructed for the transition period and for 1952, a post-transitional year. At best these statements are highly conjectural and subject to a wide margin for error, although a major upset would be required to effect any basic change in the over-all picture. But, in order to eliminate as much confusion as possible, the estimates are given in 1938 prices. For particular purposes other price levels may be assumed, but some care must be taken in their use since the effects of a different price level might materially after the character of several items, especially investment income.

There is reason to believe, however, that postwar prices will be somewhat higher than in 1938; estimates range from 25 to 50 percent. Although prices for all categories and items may not behave in an identical manner, the total results of various levels of prices may be summarized. Assuming an average rise of 33⅓ percent from 1938, total imports during the transition (1946–49) would equal £4,716,000,000 and the deficit on current account without any allowance for repayment of the principal of the sterling debt would total approximately £1,250,000,000, or $5,000,000,000 at the current rate of exchange.

The statement for 1952 indicates a surplus on current account of £40,000,000, which would permit payment of the amount due on account of the funded sterling balances. If £2,000,000,000 were so funded on 50-year terms, the amount due would just equal the surplus. But the surplus is rather tenuous, particularly when it is realized that an expenditure of 1 percent more of the net national income than forecast would wipe out the surplus and leave a slight deficit of £20,000,000.

Most of the estimates for 1952 rest on the assumption that very favorable conditions will be operative, and that such movements as the proposed "Visit-Britain Drive" will be successful. Moreover, investment income is assumed to have recovered by approximately 35 percent from 1946 owing to world prosperity, the demand for raw materials, and the eventual restoration of damaged properties. Imports are estimated on the basis of a 20-percent ratio to the net national income, which is not unrealistic in view of the tendency for the ratio immediately before the war to hover around this mark. Obviously if imports do not rise in volume beyond the 1949 level, the surplus on current account will be further increased.

In order to support this estimated increase of approximately 27 percent in the volume of imports, exports in 1952 will have to be approximately 70 percent more in volume than in 1938. If the prewar relationship between British exports and United States national income continues with little change, this figure is not out of reason. Although the ratio between the two tended to fluctuate, in 1937 and 1938 it stood at roughly 3.5 percent and at 3.4 percent as an average for 1931–38. Unquestionably the influence of the United States on the volume of British exports was substantial, but whether it would be correct to assume a continuation of this ratio as far ahead as 1952 is doubtful. Nevertheless, on the basis of an assumed national income of $125,000,000,000 at 1938 prices in the United States and a ratio of 3 percent, British exports would show an increase in volume of approximately 70 percent as estimated.

Summary and Conclusions

The vigorous controversy which has developed with respect to the present and potential economic and financial position of the United Kingdom demonstrates the existence of a healthy interest in, and awareness of, the important role of the United Kingdom in world economy. Unfortunately, much of the controversy is at cross purposes, based as it is on misconceptions and terminological confusions. Since most observers in this country are far more familiar with the particular character and conditions of the United States economy than with those of the British economy, there is a tendency to transpose conclusions which may be valid for this country but not for the United Kingdom. There is, for example, a vast difference between the

[11] Randall Hinshaw and Lloyd A. Metzler, World Prosperity and the British Balance of Payments (mimeographed paper), Division of Research and Statistics, Board of Governors of the Federal Reserve System.

[12] R. Hinshaw and L. A. Metzler, *op. cit.*

[13] In more technical terms, the marginal propensity of the world to import British products must be increased.

positions of the two countries regarding resources as well as the relative importance of the agricultural interests within the national economies. The rather common attitude in this country toward exports as a means of providing employment and wider markets for traders may be contrasted with the equally common attitude in the United Kingdom that exports are largely valuable in providing the means whereby the vast internal needs may be met by imports.

The crux of the so-called British problem is the future level of imports. Insofar as the national standard of consumption is based on imports, particularly of foods and raw materials, a reduction in the quantity of imports, not offset by the development of local substitutes or more efficient utilization of imports, will necessitate either a substantial alteration in the structure of the prewar standard of consumption or a cut in the standard, or both.

If the United Kingdom is compelled by force of circumstances to restrict expenditures on imported goods, the effects will be felt not only directly by those countries which have previously relied on the British market to absorb their surpluses of various products, but also indirectly by other countries which have in turn supplied the suppliers of the United Kingdom in the international trading system. Thus, for example, a 20-percent curtailment in British purchases of Australian products might bring about a 30- or 40-percent decline in Australian imports from the United States, barring, of course, an increase of purchases by the United States sufficient to offset the British curtailment.

The objective, therefore, of the proposed British drive to expand the volume of exports to 150 percent of the 1938 level is to insure a continuation of imports at, or near, the prewar amount. The figure of a 50-percent increase serves as a convenient peg on which to hang the arguments advanced, but has at the same time certain disadvantages in that it may be accepted as fixed. Actually, if imports are to be increased, an expansion in exports of more than 50 percent may be necessary. Under favorable assumptions for the invisible items of trade and a 22-percent expansion of imports by 1952, exports would have to be increased by approximately 70 percent as compared with 1938. The trade difficulties and international economic problems of the United Kingdom are not limited to the transition, but with some variations, are also significant for the long run. The theme, which has lately run through many statements of British observers, has been the fear of a world slump which would react upon the United Kingdom in much the same way as that of the early 1930's. Moreover, the ratio between export and import prices, generally referred to as the terms of trade, is of undeniable importance to the future economic health of the United Kingdom.

There is virtually only one lasting solution which will enable the United Kingdom to continue as a large-scale market for the world's production and to maintain an advancing standard of consumption. In simple terms, this solution is that the rest of the world increase its consumption of British goods and, perhaps more significantly, remove the dangers of periodic declines in the attained level of demand. Transitional or temporary loans may be of some assistance in reorganizing and reconstructing the British economy or in removing pressures, but they are not a permanent solution. Indeed, such loans would make it more imperative that exports of British products be expanded.

Given these conditions of demand and stability, the answer, in the last analysis, is one which British industry alone can provide. Foreign consumers must be convinced after all that British goods and services are satisfactory in terms of comparative quality, price, and utility. If they cannot be so convinced, the United Kingdom will be compelled to accept the inevitability of a reduction in the standard of domestic consumption or the establishment of some other trading system.

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